



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

February 19, 2004

Nick Deonas
Ansley Acree
Vickie Samus
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

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

MICHAEL S. MULLIN
County Attorney

Mr. Dan Powell
First National Bank
1891 South 14th Street
Fernandina Beach, FL 32034

RE: Short Term Loan - \$560,000

Dear Mr. Powell:

As counsel for the Board of County Commissioners of Nassau County, Florida, I am of the opinion that:

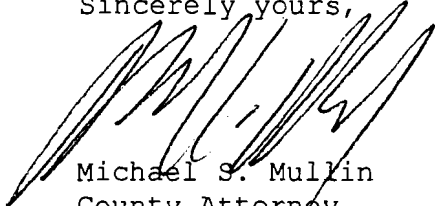
1. The Board of County Commissioners has the legal authority to enter into a loan agreement with First National Bank.
2. First National Bank was chosen based upon a competitive process as established by the Clerk of the Court.
3. The terms of the loan are legally valid and binding.
4. No litigation is pending, or, to the best of my knowledge, threatened in any court or other tribunal, state, or federal, in any way questioning or affecting the validity of the loan agreement or the ability of the Board of County Commissioners to repay same.
5. The Chairman of the Board of County Commissioners is authorized to execute the loan agreement on behalf of the Board of County Commissioners.
6. The purpose of the short term loan is for the purchase of two fire trucks for the Fire/Rescue Department.
7. Nassau County is a "political subdivision" of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
8. The Board of County Commissioners adopted, by their motion at their February 18, 2004 meeting, a covenant to budget and appropriate the funds for the re-payment of the loan. That motion is a statement by the Board

Mr. Dan Powell
February 19, 2004
Page Two

that they will in fact budget and appropriate the funds.

9. The loan amount will be exempt from Florida documentary stamps.
10. The interest on the loan shall be tax free.

Sincerely yours,



Michael S. Mullin
County Attorney

MSM:jb

CC: J. M. "Chip" Oxley, Jr., Ex-Officio Clerk
Floyd L. Vanzant, Chairman, Board of County Commissioners

06:26 As previously agreed with the developer of Cartesian Point, it was moved by Commissioner Samus, seconded by Commissioner Marshall and unanimously carried to authorize payment of \$250,000 for improvements to William Burgess Boulevard and the balance to be paid after receipt of the outstanding invoices from the developer. The Clerk confirmed that payment is from impact fees and was budgeted.

06:27 It was moved by Commissioner Samus, seconded by Commissioner Marshall and unanimously carried to approve financing, rather than leasing, for fire engines with First National Bank, the apparent low bidder, at 2.65 percent fixed interest rate.

06:27 It was the consensus of the Board to authorize the Clerk to look at alternative financing for three County Transportation dump trucks.

06:28 Mr. Oxley explained that the Ritz Carlton has applied for a bed tax refund because of a recent ruling by the Florida Department of Revenue regarding the accounting for revenue received for a promotional program. Following clarification, it was moved by Commissioner Acree, seconded by Commissioner Marshall and unanimously carried to authorize a Tourist Development Tax Refund to the Ritz Carlton-Amelia Island in the amount of \$7,566.72 for

06:23 Following up on motion made in a previous meeting to approve the financing with First National Bank for two fire trucks, it was moved by Commissioner Marshall, seconded by Commissioner Acree and unanimously carried to covenant to budget appropriate the funds necessary for the repayment of the short term loan for the two fire trucks.

06:23 It was moved by Commissioner Marshall, seconded by Commissioner Acree and unanimously carried to authorize Nancy Freeman to sign payroll for Emergency Services Department and Chief Chuck Cooper to sign payroll for Fire/Rescue.

06:24 The County Attorney explained that in previous Board action the Board approved a landfill credit application for Stateline Disposal but not the permit. It was then moved by Commissioner Marshall, seconded by Commissioner Deonas and unanimously carried to approve the Solid Waste Haulers Permit for Stateline Disposal.

06:25 The meeting paused while Joel Ivey, with Ivey and Associates, prepared for a presentation to the Board regarding the Yulee Areawide Development of Regional Impact (DRI).

06:29 Mr. Ivey commenced a review of the proposed DRI along with a PowerPoint presentation, which will accompany

* * * TRANSMISSION RESULT REPORT (IMMEDIATE TX) (FEB. 19. 2004 10:35AM) * * *

FAX HEADER:

DATE	TIME	ADDRESS	MODE	TIME	PAGE	RESULT	PERSONAL NAME	FILE
FEB. 19.	10:34AM	93211511	G3ES	0'50"	P. 4	OK		357

*Faxed letter
to Dan Powell*

: BATCH
M : MEMORY TX
S : STANDARD
* : PC

C : CONFIDENTIAL
L : SEND LATER
D : DETAIL
+ : ROUTING

\$: TRANSFER
@ : FORWARDING
F : FINE
Q : RECEPT. NOTICE REQ.

P : POLLING
E : ECM
> : REDUCTION
A : RECEPT. NOTICE

Short Term
Loan -
2 Fire Trucks
\$ 560,000

FIRST NATIONAL BANK OF NASSAU COUNTY CONSUMER PRIVACY PROTECTION POLICY

At First National Bank of Nassau County, protecting the privacy and confidentiality of your personal information is important to our employees and us. We value your business and the trust you put in First National Bank of Nassau County. In order to offer you the financial products and services you seek to obtain, we collect, maintain, and use information about you on a routine basis. To help you better understand how your personal information is protected here at FNBNC, we are providing you with the following statement describing our practices and policies with respect to the privacy of customer information. At FNBNC:

We do not disclose any nonpublic personal information about you to anyone except as permitted by law. We may, for example, disclose nonpublic personal information about you to others for the purpose of servicing your account with us, or running credit or other verification checks.

We may collect information volunteered by you during the application process, gathering from your transactions and experiences with us, and obtained from other authorized sources, such as credit bureaus. All information collected and stored by FNBNC is used for specific business purposes, such as administering your account, complying with state/federal banking regulations, protecting against fraud, and developing a better understanding of your financial needs to provide you with improved products and services.

We understand that the protection of your nonpublic personal information is of the utmost importance. Guarding your privacy is our obligation. FNBNC maintains strict procedures and policies to safeguard your privacy. We restrict employees access to customer information to only those who have a business reason to know such information, and we educate our employees about the importance of confidentiality and customer privacy.



J. M. "CHIP" OXLEY, JR.
Clerk of Circuit and County Courts
Nassau County
Post Office Box 456
Fernandina Beach, Florida 32035-0456
Phones: (904) 321-5700 (800) 958-3496
Callahan-Hilliard (904) 879-1029



January 16, 2004

Invitation to Provide Financing:

The Clerk of the Circuit Court as Chief Financial Officer for Nassau County Florida is seeking offers to finance equipment from local financial institutions. The desired financing will provide funding for the purchase of two (2) fire engines to be used in the operation of the Nassau County Fire Departments.

Requirements and Specifications:

Bank Qualified Financing (Nassau County does not intend to issue in excess of \$10,000,000.00 debt in year 2004)

Loan to be closed on or about February 1, 2004

Total Desired Financing Amount: \$560,000.00

Term of Financing: 6 years

**Sealed responses are due in the office of the Clerk of Circuit Court,
J. M. "Chip" Oxley, Jr.**

Nassau County Temporary Court Facility

191 Nassau Place, Yulee, Florida 32097

no later than close of business (5:00 pm) Friday, January 23rd, 2004.

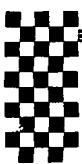
**Offers will be opened in the office of the Clerk at the above address on
January 26th, 2004 at 8:45 AM.**

For questions or clarifications please contact Ted Selby, Clerk Financial Services
Director at 904-321-5726.

Thank you for your interest and responses.

J. M. "Chip" Oxley, Jr.

Nassau County Clerk of the Circuit Court



JOSEPH M. "CHIP" OXLEY, JR.
 Clerk of Circuit and County Courts
 Nassau County
 Post Office Box 456
 Fernandina Beach, Florida 32035-0456
 Phones: (904) 321-5700 (800) 958-3496
 Callahan-Hilliard (904) 879-1029



FACSIMILE TRANSMITTAL SHEET

DATE: 2/17/04 NUMBER OF PAGES(including cover): _____

TO: Joyce

FROM: TED

If the transmission is incomplete or poorly received, please notify _____ at 904-321-5726. Our Fax number is 904-321-5907.

Additional information:

Dan Powell at First National
 would like a similar letter.
 He is also asking why no last statement:
 Interest is taxable?

Thanks TED

First National Bank of Nassau County

Amortization Schedule

Loan Amount: \$560,000.00 Rate: 2.650% Term: 72 (Months)

No.	Date	Payment	Interest	Principal	Balance	Cumulative Interest
1	02/18/2005	\$102,312.23	\$15,087.33	\$87,224.90	\$472,775.10	\$15,087.33
2	02/18/2006	\$102,312.23	\$12,702.54	\$89,609.69	\$383,165.41	\$27,789.87
3	02/18/2007	\$102,312.23	\$10,294.90	\$92,017.33	\$291,148.08	\$38,084.77
4	02/18/2008	\$102,312.23	\$7,822.58	\$94,489.65	\$196,658.43	\$45,907.35
5	02/18/2009	\$102,312.23	\$5,298.30	\$97,013.93	\$99,644.50	\$51,205.65
6	02/18/2010	\$102,321.75	\$2,677.25	\$99,644.50	\$0.00	\$53,882.90

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
P O BOX 4000
FERNANDINA BEACH, FL 32034
BORROWER'S NAME AND ADDRESS
*If includes each borrower above, jointly and severally.

First National Bank of Nassau County
1891 South 14th Street
Fernandina Beach, FL 32034
LENDER'S NAME AND ADDRESS
*You" means the lender, its successors and assigns.

Loan Number 190804422
Date 02/18/2004
Maturity Date 02/18/2010
Loan Amount \$ 560,000.00
Renewal Of _____

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of FIVE HUNDRED SIXTY THOUSAND AND 00/100 Dollars \$ 560,000.00

Single Advance: I will receive all of this principal sum on 02/18/2004. No additional advances are contemplated under this note.
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of \$ _____ and future principal advances are contemplated.
Conditions: The conditions for future advances are _____

Open End Credit: You and I agree that I may borrow up to the maximum principal sum more than one time. This feature is subject to all other conditions and expires on _____

Closed End Credit: You and I agree that I may borrow (subject to all other conditions) up to the maximum principal sum only one time.

INTEREST: I agree to pay interest on the outstanding principal balance from 02/18/2004 at the rate of 2.650 % per year until 02/18/2010

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be _____ the following index rate: _____

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

Frequency and Timing: The rate on this note may change as often as _____ A change in the interest rate will take effect _____

Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a 365/360 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to _____

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.000% to a maximum of \$100.00 but not less than \$5.00

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: _____

PAYMENTS: I agree to pay this note as follows:
 Interest: I agree to pay accrued interest _____

Principal: I agree to pay the principal _____

Installments: I agree to pay this note in 6 payments. The first payment will be in the amount of \$ 102,312.23 and will be due 02/18/2005. A payment of \$ 102,312.23 will be due annually thereafter. The final payment of the entire unpaid balance of principal and interest will be due 02/18/2010

PURPOSE: The purpose of this loan is PURCHASE OF FIRE TRUCKS
ADDITIONAL TERMS: _____

SECURITY

SECURITY INTEREST: I give you a security interest in all of the Property described below that I own or have sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes all parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownerships and all obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property.

- Accounts and Other Rights to Payment: All rights to payment, whether or not earned by performance, including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which I have by law or agreement against any account debtor or obligor.
Inventory: All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in my business.
Equipment: All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list or schedule I give to you, but such a list is not necessary to create a valid security interest in all of my equipment.
Instruments and Chattel Paper: All instruments, including negotiable instruments and promissory notes and any other writings or records that evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
General Intangibles: All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs, and the right to use my name.
Documents: All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
Farm Products and Supplies: All farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in my farming operations.
Government Payments and Programs: All payments, accounts, general intangibles, and benefits including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current, or future federal or state government program.
Investment Property: All investment property including, but not limited to, certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
Deposit Accounts: All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
Specific Property Description: The Property includes, but is not limited by, the following:

UNSECURED

If applicable, enter real estate description and record owner information:

The Property will be used for a personal business agricultural purpose.

Borrower/Owner State of organization/registration (if applicable) Florida

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

GENERALLY - This agreement secures this note and any other debt I have with you, now or later. However, it will not secure other debts if you fail with respect to such other debts, to make any required disclosure about this security agreement or if you fail to give any required notice of the right of rescission. If the property described in this agreement is located in another state, this agreement may also, in some circumstances, be governed by the law of the state in which the Property is located.

NAME AND LOCATION - My name indicated on page 1 is my exact legal name. If I am an individual, my address is my principal residence. If I am not an individual, my address is the location of my chief executive offices or sole place of business. If I am an entity organized and registered under state law, my address is located in the state in which I am registered, unless otherwise indicated on page 2. I will provide verification of registration and location upon your request. I will provide you with at least 30 days notice prior to any change in my name, address, or state of organization or registration.

OWNERSHIP AND DUTIES TOWARD PROPERTY - I represent that I own all of the Property, or to the extent this is a purchase money security interest I will acquire ownership of the Property with the proceeds of the loan. I will defend it against any other claim. Your claim to the Property is ahead of the claims of any other creditor. I agree to do whatever you require to protect your security interest and to keep your claim in the Property ahead of the claims of other creditors. I will not do anything to harm your position. I will not use the Property for a purpose that will violate any laws or subject the Property to forfeiture or seizure.

I will keep books, records and accounts about the Property and my business in general. I will let you examine these records at any reasonable time. I will prepare any report or accounting you request, which deals with the Property. I will keep the Property in my possession and will keep it in good repair and use it only for the purpose(s) described on page 1 of this agreement. I will not change this specified use without your express written permission. I represent that I am the original owner of the Property and, if I am not, that I have provided you with a list of prior owners of the Property.

I will keep the Property at my address listed on page 1 of this agreement, unless we agree I may keep it at another location. If the Property is to be used in another state, I will give you a list of those states. I will not try to sell the Property unless it is inventory or I receive your written permission to do so. If I sell the Property I will have the payment made payable to the order of you and me.

You may demand immediate payment of the debt(s) if the debtor is not a natural person and without your prior written consent; (1) a beneficial interest in the debtor is sold or transferred, or (2) there is a change in either the identity or number of members of a partnership, or (3) there is a change in ownership of more than 25 percent of the voting stock of a corporation.

I will pay all taxes and charges on the Property as they become due. You have the right of reasonable access in order to inspect the Property. I will immediately inform you of any loss or damage to the Property.

If I fail to perform any of my duties under this security agreement, or any mortgage, deed of trust, lien or other security interest, you may without notice to me perform the duties or cause them to be performed. Your right to perform for me shall not create an obligation to perform and

your failure to perform will not preclude you from exercising any of your other rights under the law or this security agreement. PURCHASE MONEY SECURITY INTEREST - For the sole purpose of determining the extent of a purchase money security interest arising under this security agreement: (a) payments on any nonpurchase money loan also secured by this agreement will not be deemed to apply to the Purchase Money Loan, and (b) payments on the Purchase Money Loan will be deemed to apply first to the nonpurchase money portion of the loan, if any, and then to the purchase money obligations in the order in which the items of collateral were acquired or if acquired at the same time, in the order selected by you. No security interest will be terminated by application of this formula. "Purchase Money Loan" means any loan the proceeds of which, in whole or in part, are used to acquire any collateral securing the loan and all extensions, renewals, consolidations and refinancing of such loan.

PAYMENTS BY LENDER - You are authorized to pay, on my behalf, charges I am or may become obligated to pay to preserve or protect the secured property (such as property insurance premiums). You may treat those payments as advances and add them to the unpaid principal under the note secured by this agreement or you may demand immediate payment of the amount advanced.

INSURANCE - I agree to buy insurance on the Property against the risks and for the amounts you require and to furnish you continuing proof of coverage. I will have the insurance company name you as loss payee on any such policy. You may require added security if you agree that insurance proceeds may be used to repair or replace the Property. I will buy insurance from a firm licensed to do business in the state where you are located. The firm will be reasonably acceptable to you. The insurance will last until the Property is released from this agreement. If I fail to buy or maintain the insurance (or fail to name you as loss payee) you may purchase it yourself.

WARRANTIES AND REPRESENTATIONS - If this agreement includes accounts, I will not settle any account for less than its full value without your written permission. I will collect all accounts until you tell me otherwise. I will keep the proceeds from all the accounts and any goods which are returned to me or which I take back in trust for you. I will not mix them with any other property of mine. I will deliver them to you at your request. If you ask me to pay you the full price on any returned items or items retaken by myself, I will do so. You may exercise my rights with respect to obligations of any account debtors, or other persons obligated on the Property, to pay or perform, and you may enforce any security interest that secures such obligations.

Any person who signs within this box does so to give you a security interest in the Property described on this page. This person does not promise to pay the note. "I" as used in this security agreement will include the borrower and any person who signs within this box.
Date
Signed

J.V. (page 2 of 3)

If this agreement covers covers Inventory, I will not dispose of it except in my ordinary course of business at the fair market value for the Property, or at a minimum price established between you and me.

If this agreement covers farm products I will provide you, at your request, a written list of the buyers, commission merchants or selling agents to or through whom I may sell my farm products. In addition to those parties named on this written list, I authorize you to notify at your sole discretion any additional parties regarding your security interest in my farm products. I remain subject to all applicable penalties for selling my farm products in violation of my agreement with you and the Food Security Act. In this paragraph the terms farm products, buyers, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985.

If this agreement covers chattel paper or instruments, either as original collateral or proceeds of the Property, I will note your interest on the face of the chattel paper or instruments.

REMEDIES - I will be in default on this security agreement if I am in default on any note this agreement secures or if I fail to keep any promise contained in the terms of this agreement. If I default, you have all of the rights and remedies provided in the note and under the Uniform Commercial Code. You may require me to make the secured property available to you at a place which is reasonably convenient. You may take possession of the secured property and sell it as provided by law. The proceeds will be applied first to your expenses and then to the debt. I agree that 10 days written notice sent to my last known address by first-class mail will be reasonable notice under the Uniform Commercial Code. My current address is on page 1.

PERFECTION OF SECURITY INTEREST - I authorize you to file a financing statement covering the Property. I will comply with, facilitate, and otherwise assist you in connection with obtaining possession of or control over the Property for purposes of perfecting your security interest under the Uniform Commercial Code.

ADDITIONAL TERMS OF THE NOTE

DEFINITIONS - As used on pages 1 and 2, "X" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW - The law of the state of Florida will govern this agreement. Any term of this agreement which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

PAYMENTS - Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST - Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal sum outstanding at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to in this note (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE - The Index will serve only as a device for setting the interest rate on this note. You do not guarantee by selecting this index, or the margin, that the interest rate on this note will be the same rate you charge on any other loans or class of loans you make to me or other borrowers.

POST MATURITY RATE - For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS - If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS - If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

SET-OFF - I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (1) any deposit account balance I have with you;
- (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerated under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right to set-off.

DEFAULT - I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the Property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES - If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued unpaid charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases on credit by me.
- (5) You may use any remedy you have under state or federal law.
- (6) You may make use of any remedy given to you in any agreement securing this note.

By selecting any one or more of these remedies you do not give up your right to use later any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to consider later the event a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES - I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any reasonable fee you incur with such attorney plus court costs (except where prohibited by law). I agree that "reasonable attorney's fees" shall be construed to mean 10% of the principal sum named in this note, or such larger fee that the court may determine to be reasonable and just. To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER - I give up my rights to require you to do certain things. I will not require you to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest); or
- (3) give notice that amounts due have not been paid (notice of dishonor).

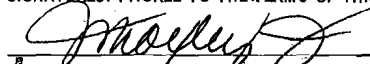
To the extent permitted by law, I also waive my right to a trial by jury in respect to any litigation arising from this note and any other agreement executed in conjunction with this credit transaction.

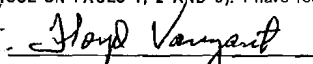
I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT - I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

FINANCIAL INFORMATION - I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGES 1, 2 AND 3). I have received a copy on today's date.


J.M. OXLEY JR., EX-OFFICIO CLERK


FLOYD VANZANT, CHAIRPERSON

SIGNATURE FOR LENDER: 
Dan Powell, Senior Vice President



**FEDERAL
SIGNAL
CORPORATION**

EMERGENCY ONE, INC.
ELGIN SWEEPER COMPANY
GUZZLER MANUFACTURING, INC.
VACTOR MANUFACTURING, INC.
PHONE (800) 934-6569

Page No.: 1
Invoice No.: 1221
Invoice Date: July 30, 2003
Customer No.: 3801-003

Bill To:

Nassau County Board of County Commissioners
P. O. Box 1010
Femandina Beach, FL 32035

DESCRIPTION	LEASE NUMBER	DUE DATE	PAYMENT AMOUNT	
FIRST ANNUAL PAYMENT (LEASE FOR TWO E-ONE C034 PUMPERS)	3801-003	Upon Delivery	\$89,051.02	
* BALANCES NOT PAID WHEN DUE SHALL BE SUBJECT TO PAST DUE INTEREST AT THE RATE OF 18% PER YEAR OR THE HIGHEST RATE PERMITTED BY LAW, WHICHEVER IS LESS.				
CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
89,051.02				

**PLEASE RETURN THIS PORTION
WITH YOUR PAYMENT**

Remit To:

E-ONE, INC.
1415 W. 22nd Street, Suite 1100
Oak Brook, IL 60523

Invoice Date: 7/30/2003
Customer No.: 3801-003
NASSAU COUNTY BD OF COMM.
Amount Due: \$89,051.02

Jan. 15. 2004 9:53AM NCFR

No. 1991, Mar. P. 2 Apparatus
PO Box 1770
Ocala, FL 34478
Office: (352) 629-6305
Fax: (352) 629-2018
Toll-Free: 1-800-524-6072



COPY

FIRE APPARATUS PROPOSAL

DATE: June 30, 2003

This Proposal has been prepared for:

Nassau County Fire Rescue
11 North 14th Street, Suite 12
Fernandina Beach, FL 32034-0494

We propose to furnish to you two (2) Emergency-One Custom Pumpers on Typhoon chassis, to be custom built and equipped per our conversations.

Delivery will be F.O.B. Fernandina Beach, FL and will be made approximately 270 calendar days after receipt of the order at Hall-Mark Fire Apparatus in Ocala, FL. Terms of payment shall be as stated in the lease purchase plan.

The current purchase price for the specified pumpers is as follows:

Dealer cost of apparatus per attached list:	\$ 252,643.00 each	\$ 505,286.00 total
Supplied Equipment per attached list:	\$ 47,357.00 each	\$ 94,714.00 total
Total Cost of Unit with Equipment	\$ 299,991.00 each	\$ 600,000.00 total
Trade In Value for 1994 E-One Pumper		\$ -40,000.00
Total Cost of Units with Equipment & Trades		\$ 560,000.00 total

This proposal shall expire unless accepted within 30 days after the date first set above. This expiration date may be extended, in writing, providing chassis pricing and availability has not changed.

This proposal is deemed acceptable by the undersigned. In witness whereof, The Company and the Purchaser shall execute an agreement to this proposal with signatures from authorized representatives as of the date set forth by each.

Company: _____
 By: [Signature]
 Typed/Printed: James Hall
 Title: President
 Date: June 30, 2003

Purchaser: _____
 By: [Signature]
 Typed/Printed: Clerk of Circuit Court
 Title: J. M. Oxley Jr
 Date: 7/14/03

- Sales & Service for all your Fire Apparatus & Equipment Needs -



Jan. 15. 2004 9:53AM

NCFR

No. 1991 P. 3

Payment Schedule

Lessee: Nassau County, FL
Equip: Two E-One Custom Pumpers

Lease No: -

Number and frequency of payments:

7 Annual payments in advance
Interest computed at 3.73 % per annum

		Payment Amount	Payment applied to Interest	Payment applied to Principal	Purchase price (remaining balance)
Total sales price					\$560,000.00
Trade-in allowed				0.00	560,000.00
Down payment				0.00	560,000.00
Payment	1	89,051.02	0.00	89,051.02	470,948.98
Payment	2	89,051.02	17,566.40	71,484.62	399,464.36
Payment	3	89,051.02	14,900.02	74,151.00	325,313.36
Payment	4	89,051.02	12,134.19	76,916.83	248,396.53
Payment	5	89,051.02	9,285.19	79,765.83	168,610.70
Payment	6	89,051.02	6,289.18	82,761.84	85,848.86
Payment	7	89,051.02	3,202.16	85,848.86	0.00
Totals		623,357.14	63,357.14	560,000.00	

Balance not paid when due shall be subject to past due interest at the rate of 18% per year or the highest rate permitted by law, whichever is less.

Interest accrues daily, at the rate indicated above, on the outstanding principal balance (listed in "Purchase price" column).

Emergency One, Inc.
Lessor

Nassau County, FL
Lessee

By: _____

By: _____

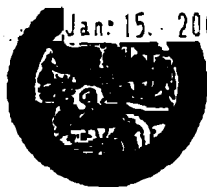
Title: _____

Title: _____

Jan 15 2004 9:53AM

NCFR EMERGENCY SERVICES DEPARTMENT

No. 1991

**FIRE/RESCUE DIVISION**

11 North 14th Street, Suite 12
Fernandina Beach, Florida 32034-0494
(904) 491-7525 • (904) 879-3300 • 1-866-832-1317
Fax: (904) 321-5748

Memorandum

TO: Thomas B. Kochheiser, Director

FROM: C. W. Cooper, Fire Chief *CWC*

DATE: July 8, 2003

RE: New Fire Apparatus

I have received the information on the two new engines. These engines are to replace E-30 a 1,000 GPM pumper and E-70 a 1,250 GPM pumper. E-30 and E-70 are not rated for the territory they protect and are showing great signs of wear. E-30 is going on 10 years old while E-70 is 8 years.

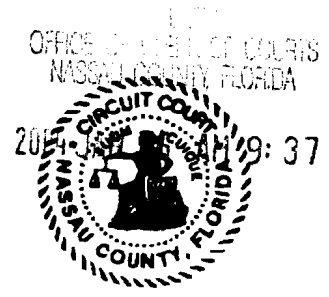
E-60 will be traded in, as it is 9 years old and a challenge to maintain. I would like to replace E-60 with E-30 or E-70 keeping the engine not replacing E-60 available as a reserve engine. This will assist us with engines that are barrowed from Jacksonville or out of service. Also, this will give us needed ISO points.

The new engines will be going to Stations 30 and 70 and will be the prototype of our future fire apparatus. They will be compatible with the forecasted tower truck for the 2004-2005 year.

I have enclosed maintenance invoices on these three engines for this fiscal year. These invoices show that the maintenance is becoming a burden on the remaining fleet.



JOSEPH M. "CHIP" OXLEY, JR.
 Clerk of Circuit and County Courts
 Nassau County
 Post Office Box 456
 Fernandina Beach, Florida 32035-0456
 Phones: (904) 321-5700 (800) 958-3496
 Callahan-Hilliard (904) 879-1029



FACSIMILE TRANSMITTAL SHEET

DATE: 1/16/04 NUMBER OF PAGES(including cover): 4

TO: Joyce

FROM: Ted

If the transmission is incomplete or poorly received, please notify _____
 at 904-321-5726. Our Fax number is 904-321-5907.

Additional information:

- Approval of the modification to extend the termination date of the Continuity of Operations (COOP)/Terrorism Annex Agreement No. 03-FT-1B-04-55-01-364 with the Florida Department of Community Affairs to April 16, 2004 and approval of the modification of the Agreement with the Northeast Florida Regional Council, amending the report and closing dates for the planning project.

6:21 Upon the request and recommendation of the Clerk, it was moved by Commissioner Marshall, seconded by Commissioner Deonas, and unanimously carried to replace the eight-year-old Fire/Rescue support truck, that is again in need of repair, with a new truck in the amount of \$36,000, with funds to be expended from the MSF Reserves Fund.

6:22 Upon the request and recommendation of the Clerk, it was moved by Commissioner Deonas, seconded by Commissioner Vanzant, and unanimously carried to approve a seven-year lease of two new fire engines at a total cost of \$560,000, with a \$90,000 line item for the lease/purchase payment in Fiscal Year 2003-2004.

6:23 Mr. Oxley presented a contract with Farmand, Farmand, and Farmand for auditing services, with a fee increase of 8 per cent or \$7,443 over Fiscal Year 2002-2003. No action was taken at this time. This item will be brought back to the Board later in the meeting to allow Commissioner Acree to review the contract.

6:24 Mr. Oxley reported that three Rescue Units have been ordered; one will be paid for, and the other two will



FEDERAL SIGNAL CORPORATION

1415 W. 22nd Street, Oak Brook, Illinois 60523-2004
Phone 630-954-2000 Fax 630-954-2041

Leasing Division

October 14, 2002

Mr. Chip Oxley, Jr.
Nassau County Board of County Commissioners
P.O. Box 456
Fernandina Beach, FL 32035

Re: Lease/Purchase of an Emergency One Pumper

Dear Mr. Oxley:

Enclosed please find your copy of the Lease/Purchase Agreement between the Nassau County Board of County Commissioners and Emergency One, Inc. Federal Signal Leasing will be acting as the agent for this lease even though it has not been formally assigned to us.

All future lease payments should be made payable to:

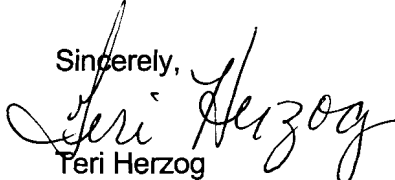
Emergency One, Inc.
P.O. Box 91944
Chicago, IL 60693

Invoices in the amount of \$106,669.36 will be automatically generated approximately 30 days prior to payment due dates. However, please be aware that your payment is due whether or not an invoice is received. Past due interest charges are assessed at a rate of 18% for payments received more than 10 days late, so it would be advisable to note your calendar of future payment due dates. In your case, payments are due annually for the next six (6) years beginning October 9, 2003.

Under the terms of the Lease (Section 7.03), we require the above unit to be insured as follows:

- a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Emergency One, Inc. as Loss Payee.
Coverage Required: Full Replacement Value
- b. Automobile Liability Insurance evidenced by a Certificate of Insurance naming Emergency One, Inc. as an Additional Insured.
Minimum Coverage Required: \$1,000,000 combined single limit (bodily injury and property damage).

We would appreciate receiving this Certificate of Insurance at your earliest possible convenience. It has been a pleasure doing business with your department. Please feel free to contact me directly at (800) 934-6569 should you have any questions.

Sincerely,

Teri Herzog
Leasing Admin. Asst.

enclosures

Florida Municipal

Lease No. 3801-002

Lessor: Emergency One, Inc.
1415 W. 22nd Street, Suite 1100
Oak Brook, IL 60523
Phone: 800-934-6569

Lessee: Nassau County Board of County Commissioners
P. O. Box 1010
Fernandina Beach, FL 32035
Contact: Walt Gossett
Phone: 904-321-5782

QUANTITY	EQUIPMENT DESCRIPTION (Include Make, Model, Serial No. and all Attachments)		
1	Emergency One 95' Platform Side Stacker Fire Apparatus Mounted on a Cyclone II 4-Door Tilt-Cab Chassis		
Lease Term	Total Equipment Cost	Rent Due (Period)	No./Amount of Rental Payments
84 Months	\$650,000.00	Annually in Advance	See payment schedule attached hereto and made a part hereof ("Payment Schedule")

MUNICIPAL LEASE AND OPTION CONTRACT

Lessor hereby leases to Lessee the Equipment for the purposes and upon the following terms and conditions listed herein

ARTICLE I: COVENANTS OF LESSEE. Lessee represents, covenants and warrants, for the benefit of Lessor as follows:

- A. Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State as set forth above ("State").
- B. Lessee has been duly authorized to execute, deliver and perform this Agreement under the Constitution and laws of the State and under the terms and provisions of the resolution of its governing body, or by other appropriate official approval. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, Lessee shall cause to be executed an opinion of its counsel in form acceptable to Lessor.
- C. During the term of this Agreement, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than the Lessee.
- D. The equipment is, and shall remain during the period the Agreement is in force, personal property and when subject to use by Lessee under this Agreement, will not be or become fixtures.

ARTICLE II: DEFINITIONS. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Lease Term" means the Original Term defined in Article III hereof and a sufficient number of automatic Renewal Terms as will constitute the number of months set forth on the face of this Agreement.

"Lessor" means the entity designated on the face of this Agreement as Lessor hereunder.

"Purchase Price" means the amount set forth in the Payment Schedule attached to this Agreement and subject to the terms of Article IX which Lessee may, at its option, pay to Lessor in order to purchase the Equipment.

"Renewal Term(s)" means the automatic renewal periods of this Agreement, each having a duration of one (1) year coterminous with Lessee's fiscal year except the last of such automatic renewal periods which shall end on the anniversary of the Commencement Date. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rent Payments shall be as provided in the attached Payment Schedule.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer.

ARTICLE III: COMMENCEMENT OF LEASE TERM.

The Original Term of this Agreement shall commence on the date the Equipment is accepted by Lessee as indicated on the Certificate of Acceptance ("Commencement Date") and shall terminate the last day of Lessee's then current fiscal year. For the duration of the Lease Term, this Agreement will be automatically renewed at the end of the Original Term and

any Renewal Term unless the Lessee gives written notice to Lessor not less than ninety (90) days prior to the end of the Original Term or Renewal Term then in effect of Lessee's intention to terminate this Agreement pursuant to Article V as the case may be.

ARTICLE IV: INSPECTION. Lessor shall have the right at all reasonable times to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE V: RENT PAYMENTS.

Section 5.01 Rent Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rent Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. Neither the Lessee, the State of Florida, nor any political subdivision thereof shall be obligated to pay any sums due to Lessor hereunder from AD VALOREM taxes.

Section 5.02 Payment of Rent Payments. Lessee shall pay Rent Payments, exclusively from legally available funds to Lessor in the amounts and on the dates set forth in the Payment Schedule attached to this Agreement. A portion of each Rent Payment is paid as, and represents payment of, interest and principal, respectively. Any amounts not paid when due shall be subject to past due interest at a rate of 18% per annum or the highest rate permitted by law, whichever is lower. Notwithstanding any other provision of the agreement and under any and all circumstances, Lessee is obligated to pay interest to Lessor on the purchase price (remaining balance) at the per annum rate specified in this agreement for each day this agreement remains in effect.

Section 5.03 Rent Payments to be Unconditional. Subject to Section 5.05, the obligation of Lessee to make payment of Rent Payments and other payments required under this Agreement shall be absolute and unconditional. Lessee shall make all such payments when due and shall not withhold, set off, abate or counter claim any such payment as a result of any dispute, whether between Lessor and Lessee or otherwise (including, but not limited to, disputes concerning alleged or actual defects, malfunctions, breakdowns or infirmities of the Equipment).

Section 5.04 Continuation of Lease Term by Lessee. Lessee intends to continue the Lease Term through the Original Term and all of the Renewal Terms and to pay the Rent Payments hereunder.

Section 5.05 Covenant to Budget and Appropriate. Lessee agrees to annually budget and appropriate the funds for all payments required under this Lease. Said funds budgeted and appropriated shall be from all legally available funds.

ARTICLE VI: TITLE TO EQUIPMENT; SECURITY INTEREST.

Section 6.01 Title to the Equipment. During the term of this Agreement, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement.

~~In the event of default as set forth in Sections 11.01 or nonappropriation as set forth in Section 5.05, title to the Equipment shall immediately vest in Lessor, and Lessee will, upon Lessor's request, reasonably surrender possession of the Equipment to Lessor. Lessee, irrevocably, hereby designates, makes, constitutes and appoints Lessor (and all persons designated by Lessor) as Lessee's true and lawful attorney (and agent-in-fact) with power, at such time of default or~~

~~nonappropriation or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's name, to endorse the name of Lessee upon any certificate of title, Bill of sale, document, instrument, invoice, freight Bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.~~

Section 6.02 Security Interest. Lessee does not grant a security interest in the equipment to Lessor.

ARTICLE VII: MAINTENANCE; MODIFICATION; TAXES; INSURANCE.

Section 7.01 Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition.

Section 7.02 Taxes, Other Governmental Charges and Utility Charges. In the event the use, possession, acquisition ownership, or transfer of the Equipment is subject to taxation in any form (except for income taxes of Lessor), Lessee shall pay as the same respectively come due, all such taxes and other governmental charges of any kind whatsoever that may, at any time, be assessed or levied against or with respect to the use, possession, acquisition, ownership, or transfer of the Equipment pursuant to this Agreement.

Section 7.03 Insurance. At its own expense and at all times during the Lease Term, Lessee shall maintain casualty, public liability and property damage insurance on the Equipment (or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided with respect to the Equipment) sufficient to protect the Full Insurable Value (meaning the full replacement value of the Equipment if purchased new or the then applicable Purchase Price, whichever is greater), and to protect Lessor from any and all liability related to the Equipment. Upon the request of Lessor, Lessee shall furnish to Lessor insurance certificates and such other material as necessary to fulfill Lessee's satisfaction of its insurance obligations as set forth in this Section 7.03. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties; provided, however, that the aforementioned insurance requirements are satisfied. If Lessee shall insure similar properties by self-insurance, Lessee will insure the Equipment by means of an adequate insurance fund. All insurance policies shall name Lessee and Lessor as assureds and loss payees according to their respective interests in the Equipment and shall provide for at least ten (10) days prior written notice by the underwriter or insurance company to the Lessor in the event of cancellation or expiration.

ARTICLE VIII: DISCLAIMER OF WARRANTIES.

The equipment is covered by the regular printed warranty, if any, of the Manufacturer, Lessee acknowledges and agrees that the Manufacturer's warranty provides Lessee with its sole and exclusive warranty rights and that Lessor has not made any warranty or representation with respect to the Equipment, including but not limited to the implied warranty of merchantability and the implied warranty of fitness for a particular purpose.

ARTICLE IX: OPTION TO PURCHASE

Provided Lessee has made all payments owed pursuant to Section 5.02 and is not in default hereunder, Lessee, may, upon giving Lessor not less than ninety (90) days prior written notice, elect to purchase all, but not less than all, of the Equipment on any annual anniversary of the Commencement Date for the applicable Purchase Price as set

forth in the Payment Schedule attached hereto, which amount shall be due and payable on the day following the annual anniversary of the Commencement Date.

ARTICLE X: ASSIGNMENT; SUBLEASING; AND INDEMNIFICATION.

Section 10.01 No Sale, Assignment or Subleasing by Lessee. This Agreement and the interest of Lessee in the Equipment may not be sold, assigned, transferred or encumbered by Lessee.

Section 10.02 Assignment by Lessor. This Agreement, and the obligation of Lessee to make payments hereunder, are not assignable, salable, or transferable by Lessor, in whole or in part.

Section 10.03 Indemnification Covenants. To the extent permitted by the laws and Constitution of the State in which Lessee is located, Lessee shall protect, hold harmless and indemnify Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith, including, without limitation, attorney's fees and expenses, penalties and interest arising out of or as the result of Lessee or its employees' or agents negligence with regard to the Equipment. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement for any reason.

ARTICLE XI: EVENTS OF DEFAULT AND REMEDIES.

Section 11.01 Events of Default Defined. The following shall constitute an "event of default" hereunder:

- A. Failure by Lessee to timely pay any payment required to be paid hereunder;
- B. Lessee's failure to perform any other covenant, condition or obligation on its part to be performed, other than for a period of thirty (30) days after written notice to Lessee specifying such failure and requesting that it be remedied.
- C. Breach of any material representation or warranty by Lessee under this Agreement; or
- D. Commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any existing or future bankruptcy, insolvency or other similar law or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or
- E. A petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar law shall be filed and not withdrawn or dismissed within thirty (30) days thereafter.

Section 11.02 Remedies on Default. Upon the occurrence of an event of default, Lessor shall have the right, at its sole option without any further demand or notice, to exercise the following remedy:

Whenever a default is existing, Lessor may declare all payments immediately due and payable without presentment, demand, or notice of any kind. In addition, Lessee shall be obligated to pay all costs of collection and enforcement of rights hereunder including reasonable attorney's fees.

Section 11.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and

power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XII: MISCELLANEOUS.

Section 12.01 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when delivered by facsimile with proof of successful transmission, by overnight courier, or when mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 12.02 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and respective successors and assigns.

Section 12.03 Severability. In the event any provision of the 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 12.04 Execution in counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.05 Power of Attorney. Lessee hereby authorizes Lessor to file IRS Form 8038-G or 8038-GC on behalf of Lessee, which provides information to the IRS on tax exempt leases and installment sales. Lessee hereby appoints Lessor's representative as attorney in fact solely for the purpose of signing the above referenced informational form.

Section 12.06 Applicable Law. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.


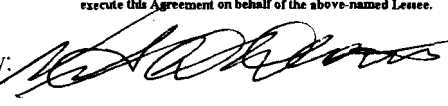
Section 12.07 Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee and may not be amended, altered or modified except by written instrument signed by Lessor and Lessee. Any terms and conditions of any purchase order or other document (with the exception of Supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

Section 12.08 Forum Selection and Consent to Jurisdiction. Any litigation based hereon, or arising out of, under, or in connection with, this Agreement or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Lessor or the Lessee shall be brought and maintained exclusively in the courts of the State of Illinois or in the United States District Court for the Northern District of Illinois; provided, however, that any suit seeking enforcement against any collateral or other property may be brought, at the lessor's option, in the courts of any jurisdiction where such collateral or other property may be found. Each of the Lessor and the Lessee hereby expressly and irrevocably submits to the jurisdiction of the Courts of the State of Illinois and the United States District Court for the Northern District of Illinois for the purpose of any such litigation as set forth above and irrevocably agrees to be bound by any judgement rendered thereby in connection with such litigation. Each of the Lessor and Lessee further irrevocably consents to the service of process by registered mail, postage prepaid, or by personal service within or without the State of Illinois. Each of the Lessor and Lessee hereby expressly and irrevocably waives, to the fullest extent permitted by law, any objection which it may have now or hereafter to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum.


To the extent that the Lessee has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgement, attachment in aid of execution or otherwise) with respect to itself or its property, Lessee hereby irrevocably waives such immunity in respect of its obligations under this Agreement.

Section 12.09 Waiver of Jury Trial. The Lessor and the Lessee hereby knowingly, voluntarily and intentionally waive any rights they may have to a trial by jury in respect of any litigation based hereon, or arising out of, under, or in connection with, this Agreement or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Lessor or the Lessee. The Lessee acknowledges and agrees that it has received full and sufficient consideration for this provision and that this provision is a material inducement for the Lessor entering into this Agreement.

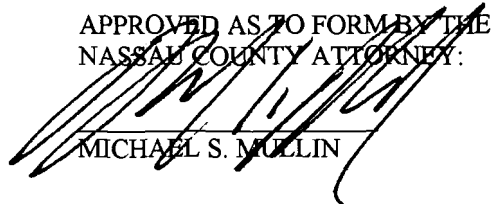
**THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED ABOVE
WHICH ARE MADE A PART HEREOF.**

Date: SEPTEMBER 30, 2002 <small>LESSEE ACKNOWLEDGES READING AND RECEIVING A COPY OF THIS AGREEMENT</small>	
Emergency One, Inc. <small>(Lessor)</small>	Nassau County Board of County Commissioners <small>(Lessee Name as Above)</small> <small>This undersigned affirms that he has been duly authorized to execute this Agreement on behalf of the above-named Lessee.</small>
By: 	By: 
Title:	Title: CHAIRMAN

ATTEST:


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

APPROVED AS TO FORM BY THE
NASSAU COUNTY ATTORNEY:


MICHAEL S. MULLIN

Lessor: Emergency One, Inc.
 1415 W. 22nd Street, Suite 1100
 Oak Brook, IL 60523
 Phone: 800-934-6569

Lessee: Nassau County Board of County Commissioners
 P. O. Box 1010
 Fernandina Beach, FL 32035
 Contact: Walt Gossett
 Phone: 904-321-5782

QUANTITY	EQUIPMENT DESCRIPTION (Include Make, Model, Serial No. and all Attachments)		
1	Emergency One 95' Platform Side Stacker Fire Apparatus Mounted on a Cyclone II 4-Door Tilt-Cab Chassis		
Lease Term	Total Equipment Cost	Rent Due (Period)	No./Amount of Rental Payments
84 Months	\$650,000.00	Annually in Advance	See payment schedule attached hereto and made a part hereof ("Payment Schedule")

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under the Municipal Lease and Option Agreement (the "Agreement") referred to above, acknowledges receipt in good condition of all of the Equipment above described as of the date set forth below (the "Commencement Date") and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee hereby certifies that the description of the personal property set forth above constitutes an accurate description of the "Equipment" and further certifies that the location of the Equipment is as stated above unless otherwise indicated below.

Lessee unconditionally accepts the Equipment for all purposes of the Agreement as of the Commencement Date and agrees that it will commence payments in accordance with Article V of the Agreement.

10/9/2002
 Commencement Date

Nassau County Board of County Commissioners
 (Lessee)

By: [Signature]

Title: Chairman

ATTEST:
[Signature]
 J. M. "CHIP" OXLEY, JR.
 Ex-Officio Clerk

APPROVED AS TO FORM BY THE
 NASSAU COUNTY ATTORNEY:
[Signature]
 MICHAEL S. MULLIN

Payment Schedule

Lessee: Board of County Commissioners, Nassau County
 Equip: Emergency One 95' Platform Side Stacker

Lease No: 3801-002

Number and frequency of payments:

7 annual payments in advance
 Interest computed at 4.89 % per annum

		<u>Payment Amount</u>	<u>Payment applied to Interest</u>	<u>Principal</u>	<u>Purchase price (remaining balance)</u>
Total sales price					\$650,000.00
Trade-in allowed				0.00	650,000.00
Down payment				0.00	650,000.00
Payment	1	106,669.36	0.00	106,669.36	543,330.64
Payment	2	106,669.36	26,568.87	80,100.49	463,230.15
Payment	3	106,669.36	22,651.95	84,017.41	379,212.74
Payment	4	106,669.36	18,543.50	88,125.86	291,086.88
Payment	5	106,669.36	14,234.15	92,435.21	198,651.67
Payment	6	106,669.36	9,714.07	96,955.29	101,696.38
Payment	7	106,669.36	4,972.98	101,696.38	0.00
	Totals	<u>746,685.52</u>	<u>96,685.52</u>	<u>650,000.00</u>	

Balances not paid when due shall be subject to past due interest at the rate of 18% per year or the highest rate permitted by law, whichever is less.

Interest accrues daily, at the rate indicated above, on the outstanding principal balance (listed in "Purchase price" column).

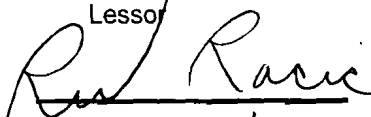
Emergency One, Inc.

Board of County Commissioners, Nassau County

Lessor

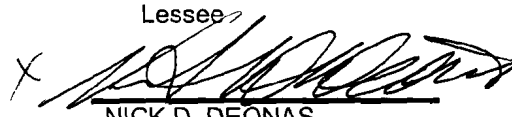
Lessee

By:



 VP

By: X




 NICK D. DEONAS
 Title: Chairman

Title: _____

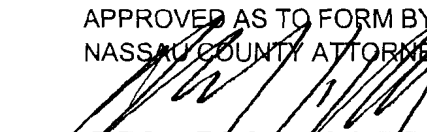
Title: _____

ATTEST:



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

APPROVED AS TO FORM BY THE
 NASSAU COUNTY ATTORNEY



 MICHAEL S. MULLIN



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

Nick Deonas
David C. Howard
Vickie Samus
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

September 30, 2002

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

MICHAEL S. MULLIN
County Attorney

WALTER D. GOSSETT
County Coordinator

Emergency One, Inc.
C/o Federal Signal Leasing
1415 West 22nd Street, Suite 1100
Oak Brook, IL 60523

RE: Municipal Lease and Option Agreement No. 3801-002
(the "Agreement")

Dear Sir:

As counsel for the Board of County Commissioners of Nassau County, Florida, ("Lessee"), I have examined the above-referenced original Agreement between Lessee and Emergency One, Inc., ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Agreement. Based upon such examination of law and fact as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public body, corporate and politic, duly organized, legally existing under the laws of the State of Florida.

2. The Agreement has been duly authorized, executed, and delivered by Lessee pursuant to constitutional, statutory, and/or home rule provision which authorized this transaction in accordance with its terms and conditions.

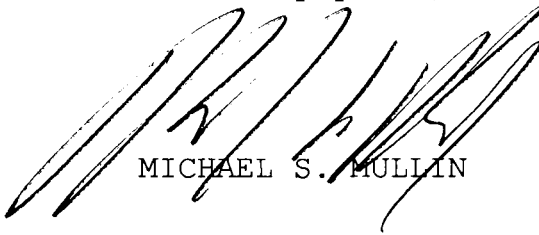
3. The Agreement is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms. In the event the Lessor obtains judgment against Lessee in money damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.

4. No litigation is pending or, to the best of my knowledge, threatened in any Court or other tribunal, state or federal, in any way questioning or affecting the validity of the Agreement.

5. The signature of the official of Lessee, which appears on the Agreement, is true and genuine; I know said official and know him to hold the office set forth below his name.

6. The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations and Rulings related thereto. That portion of rental payments made by Lessee during the Lease Term identified as interest, upon receipt, will not be includable as federal gross income under applicable statutes, regulations, court decisions, and rulings existing on the date of this opinion and consequently will be exempt from present federal income taxes.

Sincerely yours,



MICHAEL S. MULLIN

MSM/am

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Nassau County Board of County Commissioners		2 Issuer's employer identification number	
3 Number and street (or P.O. box if mail is not delivered to street address) P. O. Box 1010		Room/suite	4 Report number 3 2002-
5 City, town, or post office, state, and ZIP code Fernandina Beach, FL 32035		6 Date of issue	
7 Name of issue		8 CUSIP number	
9 Name and title of officer or legal representative whom the IRS may call for more information		10 Telephone number of officer or legal representative	

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 checked="" type="checkbox"/> Public safety	14 543,330.64
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input checked="" 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	\$ 543,330.64	\$ n/a	7 years	4.89%

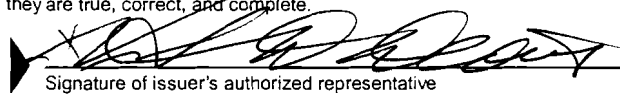
Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 543,330.64
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 543,330.64

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 financings: 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 <input type="checkbox"/> and enter the 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 <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

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.

Sign Here


Signature of issuer's authorized representative

9-30-02
Date

Nick D. Deonas, Chairman
Type or print name and title

Insurance Coverage Requirements

(This letter should be given to your insurance broker/agent to ensure proper coverage and documentation)

(PLEASE NOTE: COVERAGE NEED NOT GO INTO EFFECT UNTIL DELIVERY)

Subject: Emergency One 95' Platform Side Stacker Fire Apparatus Mounted on a Cyclone II 4-Door Tilt-Cab Chassis

Ladies and Gentlemen:

Under the terms of the Municipal Lease and Option Agreement between the Nassau County Board of County Commissioners and Emergency One, Inc. the following insurance coverage is required:

- a. Auto Physical Damage/Collision coverage for the full value of the equipment.
- b. Automobile Comprehensive/Theft coverage for the full value of the equipment.
- c. Auto Liability Insurance in the amount of \$1,000,000.

All coverages shall be evidenced by Certificate of Insurance naming Emergency One, Inc. as Additional Insured and Loss Payee.

Please issue a Certificate of Insurance at your earliest convenience and forward to:

Emergency One, Inc.
c/o Federal Signal Leasing
1415 W. 22nd St., Suite 1100
Oak Brook, IL 60523
Attn.: Joanne Deegan


Your prompt reply is most appreciated. Should you have any questions regarding this matter, please feel free to contact me.

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
("Lessee")

By: 

Nick D. Deonas
Chairman

ATTEST:


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

APPROVED AS TO FORM BY THE
NASSAU COUNTY ATTORNEY:


MICHAEL S. MULLIN

RETURN BY 9-24-02

CONTRACT SIGN OFF

PROJECT NAME Platform Truck (Fire Apparatus) PROJECT # _____

VENDOR Federal Signal Leasing

**** First payment of \$106,669.36
due at delivery**

ADDRESS 1415 W. 22nd Street
Oak Brook, Illinois 60523-2004

CONTRACT AMOUNT \$650,000 lease agreement
84 months **

DATE REC'D _____

FUNDING SOURCE: General Fund

DATE TO PUBLIC WORKS DIRECTOR _____

REC'D PWD _____

DATE TO P.W. CONTRACT MGR _____

REC'D PWCM _____

DATE TO COUNTY COORDINATOR 9-18-02

REC'D CO COORD _____

DATE TO COUNTY ATTORNEY 9-18-02

REC'D CO. ATTY _____

DATE TO CLERK 9-18-02

REC'D CLERK _____

CONTRACT APPROVAL

PUBLIC WORKS DIRECTOR _____

DATE _____

CONTRACT MANAGER _____

DATE _____

COUNTY COORDINATOR _____

DATE _____

COUNTY ATTORNEY _____

DATE _____

CLERK *[Signature]*

DATE 9/23/02

w/ attorney rec'n
APPROVAL BY BOARD OF COUNTY COMMISSIONERS

DATE SENT TO COORDINATOR FOR AGENDA PACKET _____

BOARD MEETING APPROVAL DATE _____

COPY DISTRIBUTION:
TO FINANCE DATE _____
TO VENDOR _____
TO OTHER APPROPRIATE PARTIES _____

PAYMENT & PERFORMANCE BONDS OBTAINED _____

offering the amount of \$291 as payment in full against an ambulance bill of \$582.50. Mr. Mullin was requested to send a response to the law firm requesting payment in full.

1:57 Mr. Oxley reported that he would institute a full internal audit on all road projects, the Public Works Department, and the Road and Bridge Department. All results would remain confidential until they are finalized. All funds related to road projects funded by the bond issue have been frozen and will be released when it is determined that they are necessary, approved, and appropriate.

1:59 Upon the request and recommendation of the County Coordinator, it was moved by Commissioner Marshall, seconded by Commissioner Samus, and unanimously carried to authorize the issuance of a purchase order to purchase one 95 foot platform truck to replace the County's ladder truck at a cost of \$650,000 with financing through lease/purchase, with the first payment of \$106,669.36 due at delivery and six additional payments made annually at the same amount. The down payment is included in the budget that has been presented to the Board for Fiscal Year 2002-2003.

2:04 Mr. Gossett reported that the pump went down on one of the main line tankers at the Yulee Volunteer Fire Department and requires replacement. It was moved by



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

Nick Deonas
David C. Howard
Vickie Samus
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

September 25, 2002

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

VIA FACSIMILE
AND REGULAR MAIL

MICHAEL S. MULLIN
County Attorney

WALTER D. GOSSETT
County Coordinator

Ms. Joanne M. Delegan
Federal Signal Leasing
1415 West 22nd Street
Oak Brook, IL 60523-2004

RE: Nassau County Lease

Dear Ms. Delegan:

As I indicated on the telephone yesterday, I have review the contract and propose the following changes:

1. Section 5.04 - Continuation of Lease Term by Lessee - After the first sentence, delete the balance of Section 5.04.

2. Section 5.05 - Non-appropriation - delete all of Section 5.05.

3. Section 6.01 - Title to the Equipment - At the fourth line, delete "subject to the rights of Lessee under this Agreement", and delete the remainder of Section 6.01.

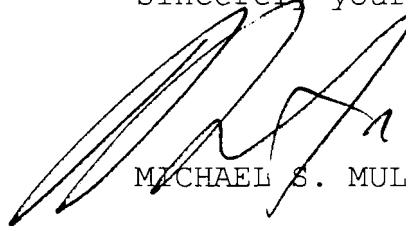
4. Section 11.02 - Remedies on Default - delete 11.02A., 11.02B., 11.02C., and 11.02E. In 11.02D., delete the word "repossession".

5. After deleting Section 5.05, please insert "Section 5.05 Covenant to Budget and Appropriate - Lessee agrees to annually budget and appropriate the funds for all payments required under this Lease. Said funds budgeted and appropriated shall be from all legally available funds."

Ms. Joanne M. Delegan
September 25, 2002
Page 2

After you have reviewed the above, if you need to talk with me, please call at 904/491-3600. If these changes are acceptable, please make the changes, and return via FedEx or other delivery service in order that it is received prior to the Board meeting on September 30, 2002, which commences at 6:00 p.m.

Sincerely yours,



Handwritten signature of Michael S. Mullin, consisting of stylized initials and a surname.

MICHAEL S. MULLIN

MSM/am

Cc: Walt Gossett
Thomas Kochheiser
Keith Lowstetter

f8/fed-signal-sept-25-2002



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

Nick Deonas
 David C. Howard
 Vickie Samus
 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

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

MICHAEL S. MULLIN
 County Attorney

WALTER D. GOSSETT
 County Coordinator

FAX TRANSMITTAL

TO: Joanne DeLeon

FROM: MICHAEL S. MULLIN
 Telephone Number 904/491-3600
 Fax Number 904/491-3618

DATE: 9/25/02

SUBJECT: Nassau County, FL

NUMBER OF PAGES TRANSMITTED, INCLUDING THIS PAGE: 3

letter - this date

2:23pm 9/25/02



Leasing Division

FEDERAL SIGNAL LEASING

1415 W. 22nd Street, Oak Brook, Illinois 60523-2004
Phone 800-934-6569 Fax 630-954-2041

September 13, 2002

Mr. Walt Gossett
Nassau County Board of County Commissioners
P. O. Box 1010
Fernandina Beach, FL 32035

Re: Lease/Purchase Financing of an Emergency One 95' Platform Side Stacker Fire Apparatus

Dear Mr. Gossett:

Emergency One, Inc. is pleased to provide the Nassau County Board of County Commissioners with financing assistance for its purchase of a new E-One 95' Platform.

The Leasing Division of Federal Signal Corporation, like Emergency One, Inc. is a wholly-owned subsidiary of Federal Signal Corporation and was established in 1983 to handle all of the administrative aspects of Emergency One, Inc.'s financing programs.

Enclosed is our standard lease/purchase agreement. The document has been marked with red "X"s in those places where signatures of authorized personnel are required. These include:

1. Municipal Lease and Option Agreement. Please sign and date where indicated.
2. Acceptance Certificate. See instructions below.
3. Payment Schedule (attachment). Please sign acknowledgment and acceptance of payment terms.
4. IRS Form 8038-G (attachment). Please complete with required information and sign where indicated.

The Acceptance Certificate can be retained by your department until the vehicle is delivered. Upon delivery, the department should sign, date and surrender this agreement to Emergency One, Inc. or its authorized dealer. **Please note that the vehicle will not be released without this signed Certificate and a check for your first annual payment of \$106,669.36 (payable to Emergency One, Inc.).** The date on the Acceptance Certificate is the commencement date of the lease.

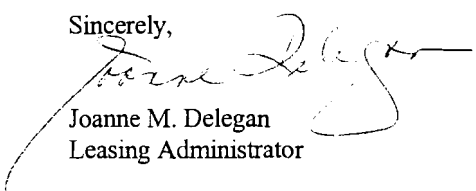
Enclosed for your convenience is an Insurance Coverage Requirement Letter which should be given to your insurance agent/broker to ensure proper coverage and documentation. Also included is an Auto Payment form. Should you choose to make your payments electronically, please provide the required signatures and banking information where indicated and forward to us for processing.

Finally, please have your attorney provide an opinion letter of substantially the same form as the attached sample "Opinion of Lessee's Counsel." This opinion must be on your attorney's letterhead.

Please return the completed documents to me as soon as possible. After we receive the documents, properly completed, we can authorize delivery of the truck. You will then be furnished a fully executed copy of the lease and attachments for your records.

Should you have any questions or comments, please do not hesitate to call us at (800) 934-6569.

Sincerely,


Joanne M. Deigan
Leasing Administrator

enclosures



**FEDERAL
SIGNAL
CORPORATION**

EMERGENCY ONE, INC.
ELGIN SWEEPER COMPANY
GUZZLER MANUFACTURING, INC.
VACTOR MANUFACTURING, INC.
PHONE (800) 934-6569

Page No.: 1
Invoice No.: 1221
Invoice Date: September 13, 2002
Customer No.: 3801-002

Bill To:
Nassau County Board of County Commissioners
P. O. Box 1010
Fernandina Beach, FL 32035

DESCRIPTION	LEASE NUMBER	DUE DATE	PAYMENT AMOUNT
LEASE PAYMENT #1 EMERGENCY ONE 95' PLATFORM	3801-002	Upon Delivery	106,669.38
*BALANCES NOT PAID WHEN DUE SHALL BE SUBJECT TO PAST DUE INTEREST AT THE RATE OF 18% PER YEAR OR THE HIGHEST RATE PERMITTED BY LAW, WHICHEVER IS LESS.			

CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
106,669.36				

*PLEASE RETURN THIS PORTION
WITH YOUR PAYMENT*

Remit To:

EMERGENCY ONE, INC.
1415 W. 22nd Street, Suite 1100
Oak Brook, IL 60523

Invoice Date: 9/13/02
Customer No.: 3801-002
NASSAU COUNTY BD OF COMMISSIONERS
Amount Due: \$106,669.36