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October 28, 2004

Mr. Bruce Barefoot
Senior Vice President
SunTrust Bank
76 South Laura Street, 20th Floor
Jacksonville, FL 32202

Mr. J. M. "Chip" Oxley, Jr.
Clerk of Courts
76347 Veterans Way
Yulee, FL 32097

Mr. Michael S. Mullin
County Attorney
Nassau County Attorney's Office
76347 Veterans Way
Yulee, FL 32097

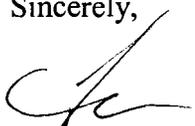
Mr. Mitchell Owens
Senior Vice President
RBC Dain Rauscher
One Independent Drive, Suite 3204
Jacksonville, FL 32202

Re: \$10,000,000 Nassau County, Florida Revenue Note, Series 2000

Dear Bruce, Mike, Chip and Mitch:

Enclosed please find a looseleaf transcript for the above-referenced transaction.

Sincerely,



Irvin M. Weinstein

IMW/bb
Enclosure

\$10,000,000
NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000
Dated October 26, 2004

CLOSING DOCUMENTS LIST

1. Resolutions, adopted May 15, 2000, June 11, 2001, July 23, 2001, March 10, 2003 and October 11, 2004 authorizing the amendment of the Series 2000 Note.
2. Loan Agreement.
3. First Amendment to Loan Agreement.
4. Second Amendment to Loan Agreement.
5. Third Amendment to Loan Agreement.
6. Series 2000 Note.
7. Representation Letter of Lender.
8. Officers' Certificate.
9. Opinion of Rogers Towers, P.A.
10. Opinion of Michael S. Mullin, County Attorney.
11. Supplement to Non Arbitrage Certificate.
12. (a) IRS Form 8038G--Information Return.
(b) Transmittal Letter to IRS.

LOAN AGREEMENT

between

NASSAU COUNTY, FLORIDA

and

SUNTRUST BANK

Dated May 22, 2000

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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

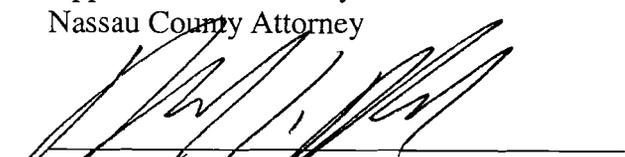
ATTEST:



J. M. "CHIP" OXLEY, JR.

Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney



MICHAEL S. MILLIN

SUNTRUST BANK

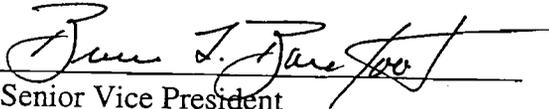
By: 
Senior Vice President

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)

FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (this "Amendment") is dated July 23, 2001 by and between **Nassau County, Florida** (the "County") and **SunTrust Bank** (the "Lender").

WITNESSETH

WHEREAS, the parties hereto executed and delivered that certain Loan Agreement dated May 22, 2000 (the "Original Agreement"; together with this Amendment, collectively, the "Loan Agreement").

WHEREAS, the parties hereto desire to expand the Project as provided herein.

WHEREAS, capitalized terms used herein and not defined are used as defined in the Original Agreement.

WHEREAS, the parties hereto desire to reduce the amount available to be loaned under the Loan Agreement from \$20,000,000 to \$7,000,000.

WHEREAS, the parties hereto desire to adjust the Stated Rate as provided herein.

WHEREAS, the parties hereto desire to extend the maturity of the loan made under the Original Agreement.

NOW, THEREFORE, in consideration of the premises and a mutual agreement of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby do agree as follows:

1. The definition of "Project" in the Agreement shall be revised to provide as follows:

"Project" shall mean the acquisition and construction of a new jail, acquisition and construction of a new courthouse, renovation of the existing courthouse, construction of the North End Marine Park, construction of certain road improvements, improvements to the Emergency Operations Center, infrastructure to within five feet of the site of the Health Department, capital projects for the Sheriff's Department and all other capital projects which may be approved from time to time by the Board.

2. The definition of "Stated Rate" in the Agreement shall be revised to provide as follows:

"Stated Rate" shall mean 51% 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.

3. The loan provided in Section 3.A of the Original Agreement is hereby amended to reduce the principal amount thereof from \$20,000,000 to \$7,000,000.

4. The description of the Note contained in Section 4 of the Original Agreement shall be modified such that the maturity of the Note shall be changed from May 21, 2001 to July 22, 2003.

5. Section 10.F.(1) is hereby amended by substituting the following provision in lieu of the provision in the Original Agreement:

No additional indebtedness payable from or secured by Non-Ad Valorem funds (other than Debt secured by Non-Ad Valorem Funds derived from enterprise funds maintained by the County) shall be issued by the County unless (A) Non-Ad Valorem Funds (excluding Non-Ad Valorem Funds derived from enterprise funds maintained by the County) for the two prior Fiscal Years equal or exceed two times the combined maximum annual debt service on the Series 2001 Bonds and all other Debt (including the proposed Debt) secured by and/or payable solely from such Non-Ad Valorem Funds, (other than Debt secured by a pledge by Non-Ad Valorem Funds derived from enterprise funds maintained by the County) and (B) the actual receipts of Non-Ad Valorem Funds (excluding Non-Ad Valorem Funds derived from enterprise funds maintained by the County) for the prior Fiscal Year, less the amount required to pay for Non-Ad Valorem Essential Services of the County for the prior Fiscal Year and any debt service on Debt secured by a pledge of any Non-Ad Valorem Funds, (other than Debt secured by a pledge of Non-Ad Valorem Funds derived from enterprise funds maintained by the

County) equal at least 110% of the maximum annual debt service on the Series 2001 Bonds and all other Debt payable solely (but not secured by a pledge of) such Non-Ad Valorem Funds. For the purposes of such covenants, maximum annual debt service means the lesser of the actual Maximum Annual Debt Service on all Debt of 15% of the original par amount of such Debt. "Debt" is defined as any debt (without duplication) all of the following to the extent that they are general obligations of the County or are payable in whole or in part from non enterprise Non-Ad Valorem Funds (i) all obligations of the County for borrowed money evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the County to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (iii) all obligations of the County as lessee under capitalized leases; and (iv) all indebtedness of other Persons to the extent guaranteed by, or secured by Non-Ad Valorem funds of the County. For purposes of such covenants, Non-Ad Valorem Essential Services is defined as, for any applicable Fiscal Year (x)(a) total governmental fund type revenues, as shown on the County's audited financial statements, less (b) total ad valorem revenues received in such Fiscal Year, divided by (c) total government fund type revenues, as shown on the County's audited financial statements, times (y) Essential Services.

6. The form of the Note shall be amended as described in Exhibit A hereto.
7. Except as amended hereby, the Original Agreement shall remain in full force and effect.

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

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



MARIANNE MARSHALL

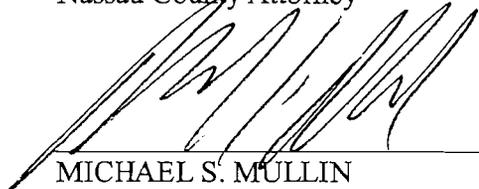
Its: Chairman

ATTEST:



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

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

SUNTRUST BANK

By



Bruce L. Barefoot
Senior Vice President

EXHIBIT A
FORM OF NOTE

NO. R-2

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	July 22, 2003	May 22, 2000

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$7,000,000

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 as amended by the First Amendment to Loan Agreement dated July 18, 2001 between the County and the Registered Owner (collectively, 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 51% 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, as supplemented by resolutions duly adopted by the Board of County Commissioners of the County on June 11, 2001 and on July 23, 2001 (all three of such resolutions, collectively, 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**

MARIANNE MARSHALL
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)

SECOND AMENDMENT TO LOAN AGREEMENT

This Second Amendment to Loan Agreement (this "Amendment") is dated March 31, 2003 by and between **Nassau County, Florida** (the "County") and **SunTrust Bank** (the "Lender").

WITNESSETH

WHEREAS, the parties hereto executed and delivered that certain Loan Agreement dated May 22, 2000 (the "Original Agreement") and that certain First Amendment to Loan Agreement dated July 23, 2001 (the "First Amendment," together with the Original Agreement, collectively, the "Amended Agreement"). The Amended Agreement, together with this Amendment, is collectively referred to herein as the "Loan Agreement."

WHEREAS, the parties hereto desire to expand the Project as provided herein.

WHEREAS, capitalized terms used herein and not defined are used as defined in the Original Agreement.

WHEREAS, the parties hereto desire to increase the amount available to be loaned under the Loan Agreement from \$7,000,000 to \$20,000,000.

WHEREAS, the parties hereto desire to adjust the Stated Rate as provided herein.

WHEREAS, the parties hereto desire to extend the maturity of the loan made under the Amended Agreement.

NOW, THEREFORE, in consideration of the premises and a mutual agreement of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby do agree as follows:

1. The definition of "Project" in the Agreement is hereby amended to provide as follows:

"Project" shall mean the acquisition of the water and sewer system located on Amelia Island from Florida Water Services Corporation (or any purchaser or acquirer thereof); the acquisition and construction of a new jail; the acquisition and construction of a new courthouse; the renovation of the existing courthouse; the construction of the North End Marine Park; the construction of certain road improvements, improvements to the Emergency Operations Center, infrastructure to within five feet of the site of the Health Department, capital projects for the Sheriff's Department; and all other capital projects which may be approved from time to time by the Board.

2. The definition of "Stated Rate" in the Agreement is hereby amended to provide as follows:

"Stated Rate" shall mean (A) if the Note is a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Code, 45% of the Prime Rate and (B) if the Note is not a qualified tax-exempt obligation with the meaning of Section 265(b)(3)(B) of the Code, 55% of the Prime Rate, in either case, 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.

3. The loan provided in Section 3.A of the Original Agreement as amended by the First Amendment is hereby further amended to increase the principal amount thereof from \$7,000,000 to \$20,000,000.

4. The description of the Note contained in Section 4 of the Original Agreement as amended by the First Amendment is hereby amended such that (a) the maturity of the Note shall be changed from July 22, 2003 to March 30, 2005 and interest thereon shall be payable each March 1, June 1, September 1 and December 1, commencing June 1, 2003 and at maturity of the Note; and (b) the principal due under the Note shall be paid such that no more than \$10,000,000 principal amount is outstanding upon the earlier of (i) March 31, 2004 or (ii) the issuance by the County of long term debt to finance the acquisition of the water and sewer system located on Amelia Island from Florida Water Services Corporation (or any purchaser or acquirer thereof).

5. Section 10.F.(1) of the Amended Agreement is hereby amended to provide as follows:

No additional indebtedness payable from or secured by Non-Ad Valorem Revenues (other than Debt secured by Non-Ad Valorem Revenues derived from enterprise funds maintained by the County) shall be issued by the County unless (A) Non-Ad Valorem Revenues (excluding Non-Ad Valorem Revenues derived from enterprise funds maintained by the County) for the two prior Fiscal Years equal or exceed two times the combined maximum annual debt service on the County's Public Improvement Revenue Bonds, Series 2001 (the "Series 2001 Bonds") and all other Debt (including the proposed Debt) secured by and/or payable solely

from such Non-Ad Valorem Revenues, (other than Debt secured by a pledge by Non-Ad Valorem Revenues derived from enterprise funds maintained by the County) and (B) the actual receipts of Non-Ad Valorem Revenues (excluding Non-Ad Valorem Revenues derived from enterprise funds maintained by the County) for the prior Fiscal Year, less the amount required to pay for Non-Ad Valorem Essential Services of the County for the prior Fiscal Year and any debt service on Debt secured by a pledge of any Non-Ad Valorem Revenues (other than Debt secured by a pledge of Non-Ad Valorem Revenues derived from enterprise funds maintained by the County), equal to at least 110% of such maximum annual debt service on the Series 2001 Bonds and all other Debt payable solely (but not secured by a pledge of) such Non-Ad Valorem Revenues. For the purposes of such covenants, maximum annual debt service means the lesser of the actual maximum annual debt service on all Debt or 15% of the original par amount of such Debt. "Debt" is defined as on any date (without duplication) all of the following to the extent that they are general obligations of the County or are payable in whole or in part from non enterprise Non-Ad Valorem Revenues (i) all obligations of the County for borrowed money evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the County to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (iii) all obligations of the County as lessee under capitalized leases; and (iv) all indebtedness of other Persons to the extent guaranteed by, or secured by Non-Ad Valorem Revenues of the County. For purposes of such covenants, "Non-Ad Valorem Essential Services" is defined as, for any applicable Fiscal Year, (x)(a) total governmental fund type revenues, as shown on the County's audited financial statements, less (b) total ad valorem revenues received in such Fiscal Year, divided by (c) total government fund type revenues, as shown on the County's audited financial statements, times (y) Essential Services. For purposes of this covenant, "Essential Services" are those services identified by the County in its annual audit as general government and public safety expenditures from governmental fund types.

6. The form of the Note is hereby amended as described in Exhibit A hereto.
7. Except as amended hereby, the Amended Agreement shall remain in full force and effect.

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

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



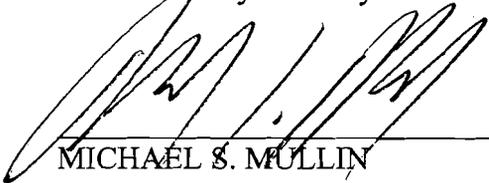
VICKIE SAMUS
Its: Chairman

ATTEST:



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

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

SUNTRUST BANK

By 

BRUCE L. BAREFOOT
Senior Vice President

EXHIBIT A
FORM OF NOTE

NO. R-3

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	March 30, 2005	March 31, 2003

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 May 19, 2000 as amended by the First Amendment to Loan Agreement dated July 18, 2001 and by the Second Amendment to Loan Agreement dated the Date of Issue hereof, all between the County and the Registered Owner (collectively, 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 (A) 45% of the Prime Rate if this Note is a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended or (B) 55% of the Prime Rate if this Note is not a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. 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, as supplemented by resolutions duly adopted by the Board of County

Commissioners of the County on June 11, 2001, on July 23, 2001 and on March 10, 2003 (all four of such resolutions, collectively, 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 March 31, 2003.

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

VICKIE SAMUS

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 JT TEN - as joint tenants

with right of survivorship

and not as tenants in

TEN ENT - as tenants by the common

entireties

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 _____ 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 NOTICE: The signature to this assignment must

an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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)

THIRD AMENDMENT TO LOAN AGREEMENT

This Third Amendment to Loan Agreement (this "Amendment") is dated October 26, 2004 by and between **Nassau County, Florida** (the "County") and **SunTrust Bank** (the "Lender").

WITNESSETH

WHEREAS, the parties hereto have previously executed and delivered that certain Loan Agreement dated May 22, 2000 (the "Original Agreement"), that certain First Amendment to Loan Agreement dated July 23, 2001 (the "First Amendment") and that certain Second Amendment to Loan Agreement dated March 31, 2003 (together with the First Amendment and the Original Agreement, collectively, the "Amended Agreement"). The Amended Agreement, together with this Amendment, is collectively referred to herein as the "Loan Agreement." Capitalized terms used herein and not defined are used as defined in the Original Agreement; and

WHEREAS, the parties hereto desire to amend the Amended Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements recited in the Amended Agreement and this Amendment, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 3 of the Amended Agreement is hereby amended to provide a new subsection 3.C as follows:

C. Revolving Loan Feature. The loan facility created hereby shall be a revolving loan, such that the County may, after repaying or prepaying any portion of the loan, so long as at least \$1 principal amount thereof remains outstanding, re-borrow in accordance with the provisions of Section 3.B.

2. The form of the Note is hereby amended as described in Exhibit A hereto.

3. Except as amended hereby, the Amended Agreement shall remain in full force and effect.

* * *

(Signature page to follow)

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

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



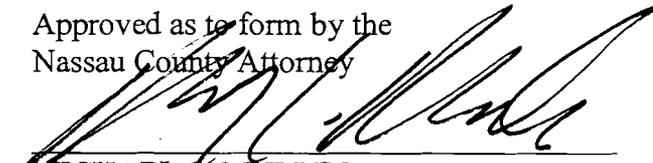
FLOYD L. VANZANT
Its: Chairman

ATTEST:



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

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

SUNTRUST BANK

By 

BRUCE L. BAREFOOT
Senior Vice President

EXHIBIT A

FORM OF NOTE

NO. R-4

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	March 30, 2005	October 26, 2004

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$10,000,000

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 of the principal amount then outstanding pursuant to the terms of that certain Loan Agreement dated May 19, 2000, as amended by the First Amendment to Loan Agreement dated July 18, 2001, by the Second Amendment to Loan Agreement dated March 31, 2003, and by the Third Amendment to Loan Agreement dated the Date of Issue hereof, all between the County and the Registered Owner (collectively, 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 (A) 45% of the Prime Rate if this Note is a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended or (B) 55% of the Prime Rate if this Note is not a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. 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, as amended 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, as supplemented by resolutions duly adopted by the Board of County Commissioners of the County on June 11, 2001, on July 23, 2001, and on October 11, 2004 (all four of such resolutions, collectively, 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.

* * *

(Signature page to follow)

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 October 26, 2004.

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

FLOYD L. VANZANT
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:

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

(Cust.)

(Cust.)

Custodian for _____ Custodian for _____

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(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

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(State)

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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-4

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	March 30, 2005	October 26, 2004

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$10,000,000

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APPROVED
 1/24/05
 Amend maturity date to 3/09.
 CT

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* * *

(Signature page to follow)

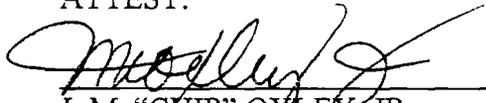
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**BOARD OF COUNTY
COMMISSIONERS NASSAU COUNTY,
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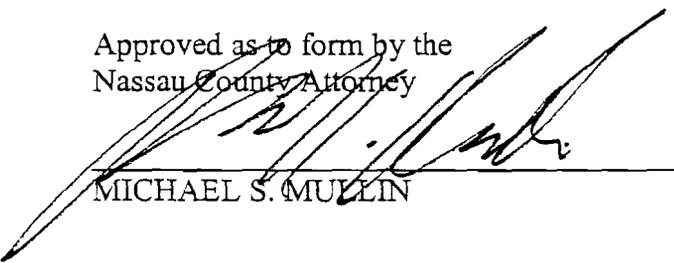
FLOYD L. VANZANT
Its: Chairman

ATTEST:



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

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

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Dated: _____

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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)

Additional Documents attached to agreement filed in Clerk's office