

**INDUSTRIAL TRACTOR COMPANY, INC.
GOVERNMENTAL LEASE -PURCHASE AGREEMENT**

Dated as of: July 31, 2006

LESSEE: NASSAU COUNTY BOARD OF COUNTY COMMISSIONER

"A political agency or subdivision of the state of Florida"

LESSOR: INDUSTRIAL TRACTOR COMPANY, INC.

ADDRESS:

6870 PHILIPS HIGHWAY

JACKSONVILLE, FLORIDA 32216

Lessor, in reliance on Lessee's selection of the equipment described below ("Unit" or "Units"), agrees to acquire, lease, let and sell the Units to Lessee, and Lessee agrees to rent, lease, hire and purchase the Units from Lessor.

Description of Unit(s)

Serial #

ONE (1) DEERE 644J WHEEL LOADER

Location of Unit(s): JACKSONVILLE, FLORIDA

Lease Term: 36 MONTHS OR 5000 HOURS

Payment provision: Lessee shall pay to Lessor payments (including the principal and interest portion) in consecutive installments of \$ 3,334.21 per month, with a buyout at the end of the lease term for \$ 88,000.00 If usage is more than 5000 hours prior to 36 months, then excess hours will be charged at \$ 72.00 per hour.

Payment Schedule attached.

ADDITIONAL PROVISIONS: The final payment of \$ 88,000.00 is due in the 37th month from commencement. Industrial Tractor Company guarantees to repurchase the equipment at the end of the lease for \$ 88,000.00 if the County chooses to sell it.

The machine has power train / hydraulic warranty for 5 years or 7500 hours, including all parts and labor. Nassau County is responsible for all scheduled maintenance, all daily/weekly maintenance, and all scheduled oil samples. Nassau County is responsible for all wear items (cutting edges, teeth, tires, etc.), damage beyond normal wear and tear, and non-warranty repairs.

Industrial Tractor Company will provide a loaner machine to the County per the guidelines outlined in paragraph four of this document.

TERMS AND CONDITIONS

1. LEASE TERM; NON-APPROPRIATIONS: The Lease term for each Unit shall commence on its "Delivery Date" (which is the later of the date on which (a) Lessor executes this Lease, (b) Lessee or its agent receives possession or takes control of the Unit) and shall continue through the last day of Lessee's fiscal year in which the Delivery Date occurs. Within seven days following the Delivery Date of each Unit, Lessee shall execute and deliver to Lessor a Delivery Supplement using Lessor's standard form. In the event no funds or insufficient funds are appropriated and budgeted in any fiscal year for payments due under this Lease, Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee, except as to the portions of payments herein agreed upon for which funds shall have been appropriated and budgeted. Notwithstanding the foregoing, Lessee agrees that, to the extent permitted by law, it will not cancel the Lease under the provisions of this Section 1 if any funds are appropriated to it or by it for the acquisition, retention or operation of the Units.

2. PAYMENTS; NET LEASE: During the Lease term, Lessee shall pay to Lessor, rent for each Unit as stated in the attached Payment Schedule and according to the above Payment Provision. An amount equal to one payment for all of the Units must accompany this Lease. If Lessor accepts and executes this Lease, said amount shall be applied to the first payment due. If Lessor does not execute this Lease, said amount will be returned to Lessee. Payments will be made by the County after receipt and acceptance of proper invoices, within forty-five (45) days and pursuant to section 218.70, Florida Statutes, the Florida prompt payment act. The County does not pay service charges or interest on late payments, except in accordance with the law. This Lease is a net lease, and Lessee shall not be entitled to any abatement or reduction of payment or any setoff against payment, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, the obligations of Lessor and Lessee shall not be affected by any defect in, damage to, loss of possession or use of any Unit, however caused, by the attachment of any lien or other claim to any Unit, by any interference with Lessee's use of the Unit, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding.

3. DISCLAIMER OF WARRANTIES: Lessee acknowledges and agrees that Lessor is not the manufacturer of the Unit(s) and that Lessee has selected each Unit based on Lessee's own judgment without any reliance whatsoever on any statements or representations made by Lessor. AS BETWEEN LESSOR AND LESSEE, THE UNIT(S) ARE PROVIDED "AS IS" WITHOUT ANY WARRANTIES OF ANY KIND. LESSOR HEREBY EXPRESSLY DISCLAIMS a) ALL WARRANTIES OF MERCHANTABILITY, b) ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, AND c) ALL WARRANTIES AGAINST INFRINGEMENT OR THE LIKE. Lessor assigns to Lessee its interest in any of the manufacturer's warranties on the Unit(s).

4. POSSESSION, USE AND MAINTENANCE: Lessee shall not (a) use, operate, maintain or store any Unit improperly, unsafely or in violation of any applicable law or regulation or for any purpose other than in the conduct of Lessee's business; (b) abandon any Unit; (c) sublease any Unit, permit the use of any Unit by anyone other than Lessee, change the use of any Unit from that specified in the attached Application Survey/Usage Rider, or change the location of any Unit from that specified above, without the prior written consent of Lessor, or (d) sell, assign or transfer, or directly or indirectly create or suffer to exist any lien, claim, security interest or encumbrance on any of its rights hereunder or in any Unit. The Units are and shall remain personal property irrespective of their use or manner of attachment to realty. Upon prior notice to Lessee, Lessor or its agent shall have the right (but not the obligation) at all reasonable times to inspect any Unit and maintenance records relating thereto. Lessee shall, at its expense and at all times during the Lease term, maintain the Units in good operating order, repair and condition and shall perform daily maintenance at least as frequently as set forth in any applicable operator's guide service manual, and lubrication and maintenance guide for the Units. Lessee shall not alter any Unit or affix any accessory or equipment to any Unit if such alteration or addition would impair the originally intended function or use or reduce the value of such Unit. Any alteration or addition to any Unit shall be the responsibility of and at the sole risk of Lessee. All parts, accessories and equipment affixed to any Unit shall be subject to the security interest of Lessor granted hereunder. If Lessor supplies Lessee with labels stating that the unit is leased from Lessor, Lessee shall affix and keep them in a prominent place on the Unit. If the equipment is out of service for more than three (3) working

days for maintenance or repairs, the lessor shall provide a replacement on the fourth day until the County's leased equipment is returned to service. All costs associated with securing and delivering the relief unit shall be at the lessor's expense. The relief unit shall be functionally equivalent to its replacement.

5. LESSEE'S REPRESENTATION AND WARRANTIES: Lessee represents and warrants to Lessor that (a) Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the state where the Units will be located; (b) Lessee has the power to enter into and perform this Lease and has taken all necessary and appropriate action to authorize the execution, delivery and performance hereof; (c) this Lease constitutes a valid and legally binding and enforceable obligation of Lessee; and (d) Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and reasonably believes that funds can be obtained sufficient to make all payments during the term of this Lease. Lessee represents that the use of the Units is essential to Lessee's proper, efficient and economic operation. Lessee acknowledges and agrees that the payments have been calculated by Lessor assuming that the interest portion of each payment is excludable from gross income for Federal income taxation purposes. Lessee represents, warrants and covenants that: (a) Lessee will comply with the information reporting requirements of Section 149 (e) of the Code, as the same may be amended from time to time, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (b) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (c) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (d) Lessee will timely pay to the extent of available funds, amounts required to be rebated to the United States pursuant to Section 148 (f) of the Code; (e) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the payments to be or become includable in gross income for Federal income taxation purposes under the Code; and (f) Lessee will be the exclusive owner, user and operator of the Units.

6. LOSS OR DAMAGE; INSURANCE: Lessee assumes all risks and liabilities of loss, damage or Casualty Occurrence (as hereinafter defined) for any cause whatsoever, for condemnation of any Unit prior to, during or subsequent to and associated with, (until the Unit is returned to Lessor pursuant to Section 10) the Lease term, and for injury to or death of any person or damage to any property in any manner arising out of or incident to the possession, use, operation, condition or storage of the Unit. If any Unit becomes damaged from any cause whatsoever, Lessee shall give Lessor prompt notice thereof. If Lessor reasonably determines that such damage is not irreparable, then Lessee shall, at its expense, promptly restore the Unit to the condition required by Section 4 above. If any Unit becomes worn out, lost, stolen, destroyed or irreparably damaged (as reasonably determined by Lessor) from any cause whatsoever, or taken by condemnation or otherwise (any such occurrence hereafter a "Casualty Occurrence") prior to, during or subsequent to (until the Unit is returned to Lessor pursuant to Section 10) the Lease term, Lessee shall give Lessor prompt notice thereof. In the event of a Casualty Occurrence, Lessee shall pay to Lessor, on the earlier of (a) the first payment date following such Casualty Occurrence or (b) thirty (30) days following such Casualty Occurrence, a sum (the "Termination Value") equal to (a) the "Beginning Balance" (as specified in the attached Payment Schedule) as of the next payment due following such Casualty Occurrence, plus (b) the amount of the interest portion (as specified in the Payment Schedule) of the next payment due following such Casualty Occurrence multiplied times a fraction the numerator of which is the number of days from the later of (a) the Delivery Date of the Unit or (b) the due date of the payment immediately preceding such Casualty Occurrence until the due date of the payment due hereunder in respect of such Casualty Occurrence and the denominator of which is 360. Lessee, at its expense, shall keep each Unit insured against all risks for not less than the applicable Beginning Balance with respect to such Unit and shall maintain comprehensive public liability insurance covering each Unit for personal injury and property damage for not less than \$100,000 per person and \$200,000 aggregate in accordance with Florida statute 768.28 (Sovereign Immunity). All insurance shall (a) be in a form and with such companies as Lessor shall approve, (b) specify Lessor (or its designee) and Lessee as named insureds, (c) be primary, without right of contribution from any other insurance carried by Lessor, (d) provide that such insurance may not be cancelled or altered so as to affect the interest of Lessor without at least thirty (30) days' prior written notice to Lessor, and (e) name Lessor (or its designee) as loss payee and be payable solely to Lessor. Lessee agrees to notify Lessor of any occurrence which may become the basis of an insurance claim hereunder and not to make any adjustments with insurers without Lessor's prior written consent. Lessee hereby irrevocably appoints Lessor its Attorney-in-Fact to receive payment of and endorse all checks and other documents and to take any other actions necessary to pursue insurance claims. Prior to the first Delivery Date of any Unit, Lessee shall deliver to Lessor

satisfactory evidence of such insurance coverage.

7. WAIVER AND INDEMNITY: LESSEE HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS FROM AND AGAINST ANY CLAIMS BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, PERSONAL INJURY, PROPERTY DAMAGE, OR NEGLIGENCE, BUT ONLY TO THE EXTENT THE LESSEE IS NEGLIGENT OR COMMITS WRONGFUL ACTS OR OMISSIONS. EXPENSES, INCLUDING REASONABLE ATTORNEY FEES INCURRED IN THE ENFORCEMENT OF THIS AGREEMENT, SHALL BE PAID BY THE LOSING PARTY IN ANY LEGAL ACTION.

8. EVENTS OF DEFAULT; REMEDIES: Each of the following shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to make any payment to Lessor when due; (b) any representation or warranty of Lessee contained herein or in any document furnished to Lessor in connection herewith shall be incorrect or misleading when made; (c) Lessee shall fail to observe or perform any other covenant, agreement or warranty made by Lessee hereunder and such failure shall continue for ten (10) days after written notice thereof to Lessee; (d) Lessee shall fail to make any payment on its bonded indebtedness when due; or (e) there shall be a default by Lessee under any other agreement between Lessor and Lessee. If any Event of Default shall occur, Lessor, at its option, may (a) proceed by appropriate court action(s) to enforce this Lease or to recover damages for the breach thereof; (b) by notice in writing to Lessee, terminate this Lease, but Lessee shall remain liable as hereinafter provided, and there upon Lessor may, at its option do any one or more of the following: (b-1) recover forthwith from Lessee (i) any and all amounts then due under this Lease or which may have accrued to the date of such termination (ii) as damages for loss of the bargain and not as a penalty, a sum equal to the payments due with respect to the Units and additional security during the balance of the fiscal year, and (iii) any additional damages and expenses sustained by Lessor by reason of the breach of any covenant, representation or warranty contained in this Lease other than for the payment of amounts due hereunder; (b-2) enforce the security interest given hereunder, (b-3) without notice, liability or legal process, enter upon the premises where any of the Units or additional security may be and take possession thereof, and (b-4) require Lessee to return the Units and additional security as provided in Section 10. Lessor shall have all rights given to a secured party by law. Provided Lessor receives possession of the Units and additional security following an Event of Default, Lessor may, at its option, undertake commercially reasonable effort to sell or re-lease the Units and additional security, and the proceeds of any such sale or re-lease shall be applied: first, to reimburse Lessor for all reasonable expenses of retaking, holding, preparing for sale or re-lease and selling or re-leasing the Units and additional security, including all taxes and reasonable attorney's fees and expenses; second, to the extent not previously paid by Lessee, to pay Lessor all amounts, except those specified below, which under the terms of this Lease are due or have accrued as of the date of Lessor's receipt of said proceeds; third, to pay all late payment charges pursuant to Section 2 hereof; and fourth, to pay Lessor the applicable Termination Value with respect to the Units. Any surplus shall be paid to the person entitled thereto. Lessee shall promptly pay any deficiency to Lessor. Lessee acknowledges that sales for cash or on credit to a wholesaler, retailer or user of the Units are all commercially reasonable. Lessee agrees to pay all reasonable attorney's fees and all costs and expenses incurred by Lessor in enforcing this Lease. The remedies herein provided shall be cumulative and in addition to all other remedies at law or in equity; provided, however, Lessor shall not be entitled to recover a greater amount in damages than Lessor could have gained through Lessee's full, timely and complete performance under this Lease, plus all fees, costs and expenses incurred by Lessor in enforcing this Lease and all late payment charges pursuant to Section 2. If Lessee fails to perform any of its obligations under this Lease, Lessor may (but need not) at any time thereafter perform such obligations, and the expenses incurred in connection therewith shall be payable by Lessee upon demand. If Lessor fails to perform any of its obligations under this lease, Lessee may (but need not) at any time thereafter perform such obligations, and the expenses incurred in connection therewith shall be payable by Lessor upon demand.

9. RETURN OF UNIT: Upon any termination of the term of this Lease with respect to each Unit or if Lessor shall rightfully demand possession of any Unit, Lessee, at its expense, shall forthwith deliver the unit to Lessor, appropriately protected and in the condition required by Section 4, at the option of Lessor, to the premises of the nearest Industrial Tractor Company location, or on board such carrier as Lessor shall specify and shipping the same, freight collect, to the destination designated by Lessor. If the Unit is not in the condition required by Section 4, Lessee shall pay to Lessor, on demand, all costs and expenses incurred by Lessor to bring the Unit into said condition

10. REPORT TO IRS: Lessee will report this Lease to the Internal Revenue Service by filing Form 8038-G, 8038-GC or 8038 whichever is applicable. Failure to do so will cause the Lease to lose its tax exempt status. Lessee agrees that if the appropriate form is not filed, the interest rate will be adjusted to an equivalent taxable interest rate.

11. TITLE, SECURITY INTEREST AND FURTHER ASSURANCES: Provided (a) Lessee has accepted each Unit on its delivery date; (b) no Event of Default exists as of the Delivery Date of the Unit, title to each Unit shall vest in Lessee on the Delivery Date of the Unit, provided, however, that in the event (i) this Lease is terminated pursuant to Section 1 hereof, or (ii) an Event of Default has occurred and is continuing, title to the Unit shall immediately revert in Lessor, free of any right, title and interest of Lessee, unless Lessor elects otherwise in writing. Lessee hereby grants to Lessor a continuing security interest in the Units, including all attachments, accessories and optional features (whether or not installed thereon) and all substitutions, replacements, additions and accessions thereto, and all proceeds of all of the foregoing to secure the payment of all sums due. Lessee will, at its expenses, do any further act and execute, acknowledge, deliver, file, register and record any further documents which Lessor may reasonably request in order to protect Lessor's security interest in the Units and Lessor's rights and benefits under this Lease. Lessee hereby appoints Lessor as Lessee's Attorney-in-Fact for the signing and filing of such documents and authorizes Lessor to delegate these limited powers. If in any event the equipment is to be returned to the Lessor, liability and responsibility remains in the Lessee for the equipment until it is delivered to the Lessor's yard.

12. ASSIGNMENT; COUNTERPARTS: Without the prior written consent of Lessor, and Deere Credit, Inc., no assignment of this Lease or any right or obligation hereunder may be made by Lessee or any assignee of Lessee. Lessor may assign its right, title and interest in and to this Lease and the Units and/or grant or assign a security interest in this Lease and the Units, in whole or in part to Deere Credit, Inc., but Lessor shall remain solely responsible for Lessor's duties and obligations hereunder (Deere Credit Inc. is not responsible for any duties or obligations under the terms of this Lease). Although multiple counterparts of this document may be signed, only the counterpart accepted, acknowledged and certified by Industrial Tractor Company on the signature page thereof as the original will constitute original chattel paper.

13. EFFECT OF WAIVER: No delay or omission to exercise any right or remedy accruing to Lessor hereunder shall impair any such right or remedy nor shall it be construed to be a waiver of any breach or default of Lessee. Any waiver or consent by Lessor under this Lease must be in writing specifically set forth. This Lease completely states the rights of Lessor and Lessee with respect to the Units and supersedes all prior agreements with respect thereto. Time is of the essence of this Lease. No variation or modification of this Lease shall be valid unless in writing and signed by the authorized representatives of Lessor and Lessee. All notices hereunder shall be in writing, addressed to each party at the address set forth on the front of this Lease or at such other address as may be furnished in writing. If any provision of this Lease shall be invalid under any applicable law, such provision shall be deemed omitted but the remaining provisions shall be given effect. All obligation of Lessee under this Lease shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

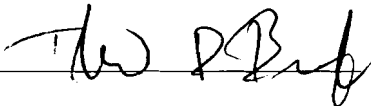
14. DISPUTES: Any dispute arising under this Contract shall be addressed by the representative of the County and the Lessor as set forth herein. Disputes shall be set forth in writing to the County Administrator with a copy to the Department Director and provided by overnight mail, UPS, FEDEX, or certified mail, with a response provided in the same manner prior to any meetings of representatives. The initial meeting shall be with the County Administrator and the Department Director or their designee and a representative of the Lessor. If the dispute is not settled at that level, the County Attorney shall be notified in writing by the Department Director or his/her designee, and the County Attorney and the County Administrator and the Department Director or their designee(s) shall meet with the Lessor's representative (s). Said meeting shall occur within sixty (60) days of the notification by the County Administrator. If there is no satisfactory resolution, the claims disputes, or other matters in question between the parties to this Agreement arising out of or relating to this Agreement or breach thereof, if not disposed of by agreement as set forth herein, shall be submitted to mediation in accordance with mediation rules as established by the Florida Supreme Court. Mediators shall be chosen by the County with Lessor's approval and the cost of mediation shall be shared equally by the Lessor and the County. If either party initiates a Court proceeding, and the Court orders, or the parties agree to, mediation, the cost of mediation shall be shared equally by the Lessor and the County. Lessor shall not stop work during the pendency of the mediation or dispute resolution. No litigation shall be initiated unless and until the procedures set forth herein are followed.

15. **GENERAL:** This Lease shall be governed by and construed under the laws of the State where the Units are located.

LESSEE ACKNOWLEDGES HAVING RECEIVED A FULLY COMPLETED AND EXECUTED COPY OF THIS AGREEMENT


Lessee:

**Board of County Commissioner
Nassau County, Florida**

By: 

Name (Print): Thomas D. Branan, Jr.

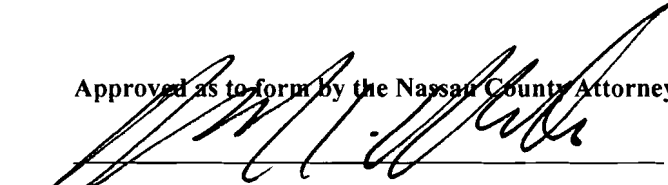
Title: Chairman

Attest: 

Name (Print): John A. Crawford

Title: Ex-Officio Clerk

Approved as to form by the Nassau County Attorney:


Michael S. Mullin

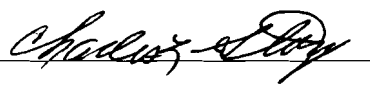
Lessor:

Industrial Tractor Company

By: 

Name (Print): William T. Cannon

Title: Gen. Division Manager

Attest: 

Name (Print): CHARLES L. STORY

Title: Governor Sales

Compound Period: Monthly

Nominal Annual Rate: 5.250 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan	08/01/2006	186,520.00	1	
2	Payment	08/01/2006	3,334.21	36	Monthly 07/01/2009
3	Payment	08/01/2009	88,000.00	1	

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	08/01/2006				186,520.00
1	08/01/2006	3,334.21	0.00	3,334.21	183,185.79
2	09/01/2006	3,334.21	801.43	2,532.78	180,653.01
3	10/01/2006	3,334.21	790.35	2,543.86	178,109.15
4	11/01/2006	3,334.21	779.22	2,554.99	175,554.16
5	12/01/2006	3,334.21	768.04	2,566.17	172,987.99
2006 Totals		16,671.05	3,139.04	13,532.01	
6	01/01/2007	3,334.21	756.81	2,577.40	170,410.59
7	02/01/2007	3,334.21	745.54	2,588.67	167,821.92
8	03/01/2007	3,334.21	734.21	2,600.00	165,221.92
9	04/01/2007	3,334.21	722.84	2,611.37	162,610.55
10	05/01/2007	3,334.21	711.41	2,622.80	159,987.75
11	06/01/2007	3,334.21	699.94	2,634.27	157,353.48
12	07/01/2007	3,334.21	688.41	2,645.80	154,707.68
13	08/01/2007	3,334.21	676.84	2,657.37	152,050.31
14	09/01/2007	3,334.21	665.21	2,669.00	149,381.31
15	10/01/2007	3,334.21	653.54	2,680.67	146,700.64
16	11/01/2007	3,334.21	641.81	2,692.40	144,008.24
17	12/01/2007	3,334.21	630.03	2,704.18	141,304.06
2007 Totals		40,010.52	8,326.59	31,683.93	
18	01/01/2008	3,334.21	618.20	2,716.01	138,588.05
19	02/01/2008	3,334.21	606.32	2,727.89	135,860.16
20	03/01/2008	3,334.21	594.38	2,739.83	133,120.33
21	04/01/2008	3,334.21	582.40	2,751.81	130,368.52
22	05/01/2008	3,334.21	570.36	2,763.85	127,604.67
23	06/01/2008	3,334.21	558.26	2,775.95	124,828.72
24	07/01/2008	3,334.21	546.12	2,788.09	122,040.63
25	08/01/2008	3,334.21	533.92	2,800.29	119,240.34
26	09/01/2008	3,334.21	521.67	2,812.54	116,427.80
27	10/01/2008	3,334.21	509.37	2,824.84	113,602.96
28	11/01/2008	3,334.21	497.01	2,837.20	110,765.76

29	12/01/2008	3,334.21	484.59	2,849.62	107,916.14
2008 Totals		40,010.52	6,622.60	33,387.92	
30	01/01/2009	3,334.21	472.13	2,862.08	105,054.06
31	02/01/2009	3,334.21	459.61	2,874.60	102,179.46
32	03/01/2009	3,334.21	447.03	2,887.18	99,292.28
33	04/01/2009	3,334.21	434.40	2,899.81	96,392.47
34	05/01/2009	3,334.21	421.71	2,912.50	93,479.97
35	06/01/2009	3,334.21	408.97	2,925.24	90,554.73
36	07/01/2009	3,334.21	396.17	2,938.04	87,616.69
37	08/01/2009	88,000.00	383.31	87,616.69	0.00
2009 Totals		111,339.47	3,423.33	107,916.14	
Grand Totals		208,031.56	21,511.56	186,520.00	

Last interest amount decreased by 0.01 due to rounding.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

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 59 1863042	
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
5 City, town, or post office, state, and ZIP code Fernandina Beach, FL 32035		6 Date of issue 8/1/2006	
7 Name of issue John Deere 644J Wheel Loader		8 CUSIP number	
9 Name and title of officer or legal representative whom the IRS may call for more information Chris Lacabra, Deputy Comptroller		10 Telephone number of officer or legal representative (904) 548-4800	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe ► Landfill Equipment	18 \$186,520.00
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 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	8/1/2009	\$ 186,520.00	\$ N/A	3 years	5.25 %

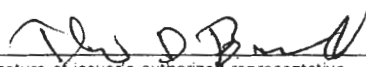
Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 \$186,520.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for 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 \$186,520.00

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	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
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	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" 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

Date

Thomas D. Branan, Jr., Chairman

Type or print name and title





CERTIFICATE OF INSURANCE

ACCOUNT NUMBER 24-24885

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

Name and Address of Certificate Holder

Name and Address of the Insured

NASSAU COUNTY BOARD OF COMMISSIONERS
 67347 VETERANS WAY
 YULEE, FL 32097

INDUSTRIAL TRACTOR COMPANY INC
 6870 PHILLIPS HIGHWAY
 JACKSONVILLE, FL 32216

This certificate is issued on 09-19-2007 and is effective until 09-19-2008. It certifies that policies of insurance listed below have been issued to the insured named above. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies. Limits shown may have been reduced by paid claims.

<u>Coverage Provided</u>	<u>Policy Number</u>	<u>Coverage Limits</u>	
<u>General Liability</u> Bodily Injury and Property Damage Combined	24-24885-01 OCCURRENCE	General Aggregate	\$ 1,500,000
		Products Aggregate	\$ 1,500,000
		Pers/Adv Injury	\$ 500,000
		Each Occurrence	\$ 500,000
		Premises Damage	\$ 100,000
		Medical Expense	\$ 5,000
<u>Automobile Liability</u>	24-24885-01	Each Accident	\$ 500,000
Includes: Bodily Injury and Property Damage Combined -Any Auto			
<u>Excess/Umbrella Liability</u>	24-24885-01	Each Occurrence	\$ 10,000,000
		General Aggregate	\$ 30,000,000
		Products Aggregate	\$ 30,000,000

~~If any of the listed policies are cancelled prior to their normal expiration date, the insurer will endeavor to send notice to the certificate holder 30 days in advance. Failure to mail such notice shall impose no obligation or liability of any kind upon the insurer.~~

80-C1035 (MECH)