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November 30, 2005

Honorable John A. Crawford
Clerk of the Court
Post Office Box 456
Fernandina Beach, Florida 32035

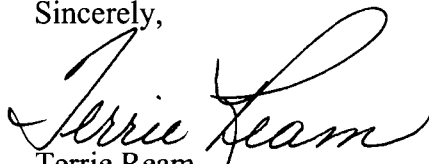
Re: \$5,000,000 Nassau County, Florida
Capital Improvement Revenue Bond, Series 2005

Dear Mr. Crawford:

Enclosed herewith is a loose transcript of closing documents prepared in connection with the above-referenced transaction.

If you have any questions, please call Mark Mustian or me.

Sincerely,


Terrie Ream
Legal Assistant

Enclosure

RECEIVED
CLERK'S
FINANCIAL SERVICES
NASSAU COUNTY, FL

2005 DEC -2 A 11:46

\$5,000,000
NASSAU COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2005

List of Closing Documents
November 30, 2005

I. NASSAU COUNTY, FLORIDA

- 1 Certified copy of County Resolution No. 2005-173, adopted on November 28, 2005.
- 2 Loan Agreement, dated as of November 1, 2005, between Nassau County, Florida and SunTrust Bank.
- 3 Incumbency Certificate.
- 4 Signature Certificate.
- 5 No-Litigation Certificate.
- 6 Certificate as to Arbitrage and Certain Other Tax Matters.
- 7 Issuer's General Certificate.
- 8 Certificate as to Specimen Bond.
- 9 County's Certificate as to Delivery and Payment.
- 10 Internal Revenue Service Form 8038-G.
- 11 Division of Bond Finance Forms.

II. SUNTRUST BANK

- 12 Purchaser's Disclosure Letter required by Section 218.385, Florida Statutes.
- 13 Certificate as to Delivery and Payment.

III. LEGAL OPINIONS

- 14 Approving Opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel.
- 15 Supplemental Opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel.
- 16 Opinion of Michael S. Mullin, Esquire, County Attorney.

CLERK'S CERTIFICATE REGARDING RESOLUTION

I, John A. Crawford, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Resolution No. 2005-173 entitled "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY NASSAU COUNTY OF NOT EXCEEDING \$5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2005, TO PROVIDE FUNDS FOR THE FINANCING OF A COMMUNICATIONS SYSTEM; ACCEPTING THE PROPOSAL OF SUNTRUST BANK TO PURCHASE THE BOND, AUTHORIZING THE EXECUTION AND DELIVERY OF THE FORM OF ATTACHED LOAN AGREEMENT BETWEEN THE COUNTY AND SUNTRUST BANK; COVENANTING TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM FUNDS TO PAY THE BOND; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE", adopted at a meeting of the Board of County Commissioners duly called and held on November 28, 2005, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been further modified, amended or repealed, and is in full force and effect on and as of the date hereof in the form attached.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 30th day of November, 2005.



Clerk of the Circuit Court and Ex-Officio Clerk
of the Board of County Commissioners of
Nassau County, Florida

RESOLUTION NO. 2005-

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY NASSAU COUNTY OF NOT EXCEEDING \$5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2005, TO PROVIDE FUNDS FOR THE FINANCING OF A COMMUNICATIONS SYSTEM; ACCEPTING THE PROPOSAL OF SUNTRUST BANK TO PURCHASE THE BOND, AUTHORIZING THE EXECUTION AND DELIVERY OF THE FORM OF ATTACHED LOAN AGREEMENT BETWEEN THE COUNTY AND SUNTRUST BANK; COVENANTING TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM FUNDS TO PAY THE BOND; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution is enacted pursuant to the provisions of Section 125.01, et seq., Florida Statutes; and other applicable provisions of law.

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

A. Nassau County, Florida (the "County") has been provided with a commitment from SunTrust Bank (the "Bank") to provide the County with the necessary financing (the "Loan") to provide for the payment of the cost for manufacturing, engineering, installation and implementation of a five-site, five-channel, simulcast land mobile communications system (the "Project"). The commitment of the Bank is attached hereto as Exhibit A (the "Commitment"). The acceptance of the Commitment is hereby determined to be in the best financial interest of the County.

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

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

D. The Bond is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

SECTION 3. AUTHORIZING AND AWARD OF BOND. The issuance by the County of not to exceed \$5,000,000 aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2005 (the "Bond") of the County, for the purposes described above; to be dated, to bear interest at a rate or rates not exceeding the maximum legal rate per annum, to be payable, to mature, to be subject to redemption and to have such other characteristics as are provided in the loan agreement attached; and secured by a covenant of the County to budget and appropriate from legally available non-ad valorem funds each year monies sufficient to pay the principal and interest on such Bond, is hereby authorized. The sale of the Bond to the Bank is hereby authorized.

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

SECTION 5. APPROVAL OF LOAN AGREEMENT AND BOND. The Loan Agreement and the Bond in the form attached thereto as Exhibit B are hereby approved in substantially such form, with such modifications as may be approved by the Chairman or Vice Chairman, including a modification of the principal amount thereof (not to exceed \$5,000,000) and associated amortization changes, such approval to be conclusively determined by her or his execution thereof and the execution and delivery thereof by the Chairman or Vice Chairman of the Board of County Commissioners and the Clerk of the County who are hereby authorized to execute and deliver such instruments and to take such other actions as shall be necessary to implement the Loan.

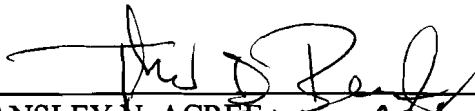
SECTION 6. REPEAL OF INCONSISTENT PROVISIONS. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

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

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

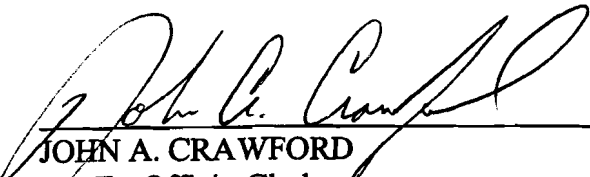
PASSED AND ADOPTED this 28th day of November, 2005.

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



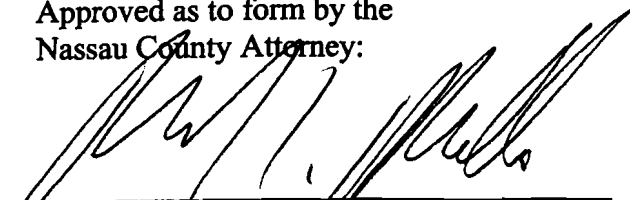
~~ANSLEY N. ACREE~~ FOR BRENNAN
Its: Chairman
Vice-

ATTEST:



JOHN A. CRAWFORD
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:



MICHAEL S. MULLIN

Nassau County, Florida

Response to the Request for Proposal for a \$5,000,000.00 Bank Qualified Tax-Exempt Fixed Rate Term Loan to finance construction of a mobile communications system.

Term Loan Commitment Dated November 18, 2005

Borrower: *Nassau County, Florida (the "County")*

Lender: *SunTrust Bank (the "Bank")*

Amount: *\$5,000,000.00 Term Loan (the "Loan")*

Purpose: *Provide financing for the manufacturing, engineering, installation, and implementation of a five site, five channel simulcast land mobile communications system.*

Security: *The Loan shall be secured by a senior lien covenant to budget and appropriate pledge of legally available non-ad valorem revenues of the County.*

Term: *The Loan shall be extended for a term of seven years.*

Interest Rate: *At the option of the Borrower:*

Interest rates are shown below for a Bank Qualified Tax Exempt Loan. Option A reflects an interest rate with a prepayment penalty "make-whole" provision and Option B reflects an interest rate with full prepayment privileges.

A. Interest Rate with "Make-Whole" Provision Option:

*Bank Qualified Tax-Exempt Fixed Rate of 3.58%, p.a. **

B. Interest Rate with Full Prepayment Privileges Option:

*Bank Qualified Tax Exempt Fixed Rate of 3.85%, p.a. **

** Rates are firm through December 07, 2005*

Interest Repayment:

Semi-annual interest payments due on April 1 and October 1 each year, beginning on April 1, 2006 and continuing until maturity. Interest shall be payable on an actual/365 day basis.

Principal Repayment:

Annual principal payments due on October 1 each year, beginning on October 1, 2006 and continuing until maturity.

Principal Prepayment:

A. Early prepayment under the Interest Rate Option A shall be subject the following "Make Whole Provision" prepayment penalty formula:

Prepayment Penalty Provision (the "Make Whole Provision") - The Make Whole Provision is equal to the interest that would have been payable to the Bank on the amount of the principal prepayment from the date of such prepayment through the end of the borrowing period, less interest that would accrue on a U.S. Treasury instrument in the amount of such prepayment and with the same maturity date as the applicable borrowing period.

B. Full prepayment privileges without penalty shall apply to Interest Rate Option B.

Closing Date: *On or before December 07, 2005*

Conditions: *A) Nabors, Giblin & Nickerson, PA shall (i) prepare documentation in form and substance satisfactory to the Bank and its legal counsel and (ii) provide approving opinion for this transaction. Legal documentation shall be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers Towers, P.A. of Jacksonville. Total legal fees for the review of the documentation in this transaction shall be \$3,500.00*

B) All matters relating to this Loan, including all instruments and documents required, are subject to Bank's policies and procedures in effect, applicable governmental regulations and/or statutes, and approval by Bank and Bank's counsel.

C) A written opinion from Bond Counsel, in form and substance acceptable to the Bank, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and Bond Counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

D) It is understood that the commitment set forth herein is conditioned upon the accuracy of information provided to the Bank by the Borrower. Any misrepresentation or false statement of material fashion made by the Borrower to induce this loan commitment or any material adverse change in the financial condition of the Borrower will be sufficient cause for the Bank to terminate this commitment.

E) WAIVER OF JURY TRIAL With respect to any lawsuit involving this Loan, the loan documents, or any other aspect of this transaction between the Bank and the Borrower, the exclusive venue for any action shall be the county where the Bank is located and, in any such action, each party expressly waives any right to a jury trial.

F) Financial Covenants - Anti-Dilution and Add Bonds Tests shall be incorporated pursuant to existing Revolving Line of Credit Agreement between the Borrower and the Bank.

G) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

H) With respect to the Loan, the interest rates quoted herein assume the obligation is either a "bank qualified or non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

I) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

J) *Financial Reporting: The County shall submit annual audited financial statements within 180 days of fiscal year end, annual budget within 30 days of adoption, and any other information the Bank may reasonably request.*

K) *Annual certification by the County's Auditor that the County is in compliance with the above referenced covenants/conditions.*

**Acceptance of
Commitment:**

This Commitment to Nassau County, Florida will expire on December 07, 2005. Please acknowledge acceptance by signing and returning the attached copy to the Bank by December 07, 2005.

Respectfully submitted this 18th day of November, 2005

SunTrust Bank

By: _____
Bruce L. Barefoot
Senior Vice President

Agreed to and accepted this ____ day of _____, 2005
Board of County Commissioners, Nassau County, Florida

By: _____
Its: Chairman

Attest:

By: _____
John A. Crawford
Ex-Officio Clerk

Approved as to form:

Michael S. Mullin
Nassau County Attorney

SECOND REVISED EXECUTION COPY

LOAN AGREEMENT

between

NASSAU COUNTY, FLORIDA

and

SUNTRUST BANK

Dated as of November 1, 2005

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This LOAN AGREEMENT made and entered as of November 1, 2005, by and between NASSAU COUNTY, FLORIDA (the "County") and SUNTRUST BANK (the "Lender").

W I T N E S S E T H

WHEREAS, the County has determined that it is necessary, desirable and in the best interests of the County and its inhabitants that the County issue its \$5,000,000 in aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2005 (the "Bonds"), for the purpose of providing financing for the engineering, acquisition, installation and implementation of a five-site, five-channel, simulcast land mobile communications system (the "Project"); and

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 \$5,000,000 in return for the Bond.

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 its Non-Ad Valorem Revenues amounts sufficient to repay the principal of and interest on the Bond when due.

WHEREAS, the Bond 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 is 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 Bond 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 Bond or other payments provided for herein. Furthermore, neither the Bond 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 Section 125.01, et seq., 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.

“Bond” means the Bond of the County delivered 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.

“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.

“Chairman” means the Chairman of the Board, acting on behalf of the Board, and such other person as may be duly authorized to act on his or her behalf.

“Clerk” means the Clerk of the Board, acting on behalf of the Board, or such other person as may be duly authorized to act on his or her behalf.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations, procedures and rules thereunder in effect or proposed.

“Covenant Debt” means all other indebtedness of the County payable from a covenant to budget and appropriate Non-Ad Valorem Revenues on the same basis as the Bond.

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

“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, or such other period as may be prescribed by law.

“Lender” means SunTrust Bank, as initial registered owner of the Bond, or its successor in interest or its assigns.

“Maturity Date” means the date which the principal and interest on the Bond, or any portion thereof, shall be payable.

“Maximum Debt Service Requirement” for the Bond, any Covenant Debt, 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 the Bonds, such Covenant Debt 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 revenues of the County derived from any source whatsoever other than ad valorem taxation and legally available to pay principal of and interest

on the Bond, but only after provision has been made by the County for the payment of all essential or legally mandated services.

“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, until applied in accordance with the provisions of this Loan Agreement, all moneys, including investments thereof, in the Sinking Fund established hereunder. Pledged Funds shall include all amounts transferred to the Sinking Fund as a result of the County's covenant to budget and appropriate Non-Ad Valorem Revenues contained herein.

“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” shall have the meaning set forth in the WHEREAS clauses hereof.

“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 Bond.

“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 Bond.

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

“State” means the State of Florida.

“Stated Rate” shall mean, 3.58%, 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 Bond 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 Bond 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, (y) there occurs a final determination by the Internal Revenue Service or a court that interest on the Bond is not excluded from gross income for federal tax income tax purposes or (z) the Bond is determined not to be a qualified tax-exempt obligation within the meaning of section 265(b)(3)(B) of the Code..

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 the County hereby accepts the loan in the principal amount of \$5,000,000 upon the terms and conditions herein.

B. Disbursement of Proceeds. Proceeds of the loan shall be made available to the County on the date of closing of the loan.

SECTION 4. DESCRIPTION OF BOND. The loan shall be evidenced by the Bond. The Bond shall be dated as of the date of initial delivery thereof; shall mature on October 1, 2012, shall be in registered form; and shall bear interest from its date until payment of the principal amount thereof, at the Stated Rate. Interest on the Bond shall be payable on each April 1 and October 1, commencing April 1, 2006 and at the maturity of the Bond, calculated on an actual 365-day basis. Principal shall be paid each October 1, commencing October 1, 2006, in the amounts set forth in the form of Bond attached hereto as Exhibit A. The Bond may, at the option of the County, be prepaid prior to maturity in whole or in part on any date at a prepayment price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof and upon payment of a premium calculated as herein provided. The premium shall be equal to the present value of the difference between (1) the amount that would have been realized by the Lender on the prepaid amount for the remaining term of the Bond at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps for a term corresponding to the term of the Bond, interpolated to the nearest month, if necessary, that was in effect three business days prior to the original issue date of the Bond and (2) the amount that would be realized by the Lender by reinvesting such prepaid funds for the remaining term of the Loan at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect three business days prior to the Bond repayment date; both discounted at the same interest rate utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the County may prepay the Bond without a premium. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Lender may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Lender shall provide the County with a written statement explaining the calculation of the premium due, which statement shall, in

absence of manifest error, be conclusive and binding. The County shall provide the Lender five (5) Business Days' prior written notice prior to any prepayment of the Bond.

SECTION 5. EXECUTION OF BOND. The Bond 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 Bond may be signed and sealed on behalf of the County by any person who at the actual time of the execution of such Bond shall hold such office in the County, although at the date of such Bond such person may not have been so authorized. The Bond may be executed by the facsimile signatures of the Chairman or Clerk.

SECTION 6. REGISTRATION AND TRANSFER OF BOND. The Bond 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 each registered owner, in accepting the Bond, shall be conclusively deemed to have agreed that such Bond 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 the Bond 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 Bond for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of the Bond may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of any Bond 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 Bond of authorized denominations and of the same maturity and interest rate and for the aggregate principal amount as the Bond surrendered.

The Bond 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 by any governmental body other than the County. Such charges and expenses shall be paid before any such new Bond shall be delivered.

The new Bond delivered upon any transfer or exchange shall be a valid obligation of the County, evidencing the same debt as the Bond 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 Bond surrendered.

Whenever any Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Bond 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. BOND MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond 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 Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Bond, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Bond, upon surrender of such mutilated Bond, if any, to the Registrar and the cancellation thereof; *provided, however,* if the Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof. Any Bond surrendered under the terms of this Section 7 shall be canceled by the Registrar.

Any such duplicate Bond 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 Bond, the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond 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 Bond issued hereunder.

SECTION 8. FORM OF BOND. The Bond 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 BOND; BOND NOT DEBT OF THE COUNTY. The payment of the principal of and interest on the Bond shall be secured forthwith, by a lien upon and a pledge of the Pledged Funds. Until the Bond is paid or deemed paid pursuant to the provisions of this Agreement, the County hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues lawfully available in each Fiscal Year, amounts sufficient to pay the principal and interest on the Bond until the maturity thereof. 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 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 registered owner of the Bond 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 principal and interest on the Bond, 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; subject, however, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law.

The Bond 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 Bond. The County does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bond.

SECTION 10. COVENANTS OF THE COUNTY. So long as any of the principal of or interest on the Bond shall be outstanding and unpaid or until provision for payment of the Bond 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 Bond to the same extent as such existed on the date of issuance of the Bond.

B. Financial Statements. Not later than 180 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.

C. Annual Budget and Other Information. The County shall prepare its annual budget in accordance with Florida law, and shall provide the registered owner of the Bond 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 registered owner may reasonably request.

D. Sinking Fund. The County hereby creates and establishes a special separate fund to be called the "Nassau County, Florida Capital Improvement Revenue Bond, Series 2005 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 Bond, the County shall deposit from Non-Ad Valorem Revenues budgeted and appropriated pursuant to the covenant contained herein to the Sinking Fund the amounts sufficient to pay the interest and principal becoming due on the Bond 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 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 Bond, 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 Bond then outstanding.

E. Issuance of Other Obligations. Except for the Bond, 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) 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 at least 110% of such maximum annual debt service on the Series 2001 Bonds and all other Debt payable solely from (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 Debt Service Requirement on 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, Bonds 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 governmental 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.

(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 received during the two immediately preceding Fiscal Years of the County is at least equal to 2.0 times the Maximum Debt 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.

SECTION 11. APPLICATION OF BOND PROCEEDS. The proceeds of the Bond shall first be applied by the County to pay the costs of preparation and issuance of the Bond 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 Bond, and the use of Bond 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:

B. 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.

C. 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.

D. 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.

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

F. 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; 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.

G. 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 its 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 Bond, 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 Bond 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, 2004, 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.

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 Bond or the Pledged Funds at any time during the term thereof which would cause the Bond to be a "private activity bond" within the meaning of Section 103(b)(1) of the Code or "arbitrage bond" 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 Bond, to comply with the requirements of the Code and the Regulations, as amended from time to time. The County hereby represents and finds that the Bond is hereby "deemed designated" as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

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
96135 Nassau Place
Yulee, FL 32097
Attention: County Clerk

Lender: SunTrust Bank
76 South Laura Street, Suite 20
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 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 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 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 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 Bond or for any claim based on the Bond or on this Agreement, against any present or former member or officer of the Board or any person executing the Bond.

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 Bond 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 Bond, 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 Bond, shall be considered "provision for payment."

SECTION 21. WAIVER OF JURY TRIAL. With respect to any suit or action between the County and the Lender relating to the Bond 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 22. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended by the County, with the prior written consent of the Lender.

SECTION 23. 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 24. 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 25. 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 26. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

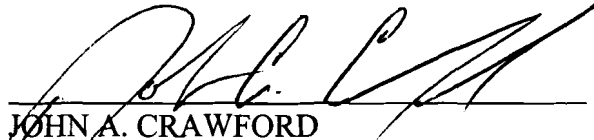
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



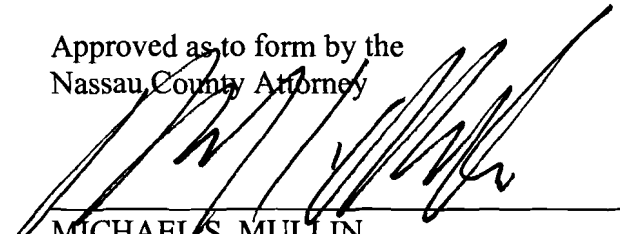
~~ANSLEY N. ACREE~~ **TOM BRANIGAN**
Its: ^{vice} Chairman

ATTEST:



JOHN A. CRAWFORD
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

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

ANSLEY N. ACREE
Its: Chairman

ATTEST:

JOHN A. CRAWFORD
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 BOND

NO. R-1

NASSAU COUNTY, FLORIDA
REVENUE BOND, SERIES 2005

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
3.58%*	October 1, 2012	November 30, 2005

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$5,000,000

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 then outstanding pursuant to the terms of that certain Loan Agreement dated as of November 1, 2005 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 an actual 365-day basis. This Bond shall bear interest at a fixed rate of interest equal to 3.58%. The Rate of Interest on this Bond is subject to adjustment as set forth in the Agreement under the definition of "Stated Rate." Interest on the Bond shall be payable on each April 1 and October 1, commencing April 1, 2006 and at the maturity of the Bond, calculated on an actual 365-day basis. Principal due on this Bond shall be paid each October 1, commencing October 1, 2006, in the amounts set forth below:

<u>Year (October 1)</u>	<u>Amount</u>
2006	\$639,986.76
2007	662,926.85
2008	687,460.19
2009	712,518.58
2010	738,490.37
2011	765,329.62
2012	793,305.63

*Subject to adjustment as provided herein.

This Bond may be prepaid in whole or in part prior to maturity upon payment of the prepayment price set forth in the Agreement. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Bond 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 the Resolution duly adopted by the Board of County Commissioners of the County on November 28, 2005 (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 Bond is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on this Bond during such Fiscal Year, as more particularly provided in the Agreement.

This Bond 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 Bond. This Bond 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 Bond 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 Bond, have happened, exist and have been performed in regular and due form and time as so required.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Board of County Commissioners of Nassau County, Florida, has caused this Bond to be executed by its Chairman, and attested by its 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 Bond to be dated November 30, 2005.

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

ANSLEY N. ACREE
Its: Chairman

ATTEST:

JOHN A. CRAWFORD
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

TEN ENT - as tenants by the entireties and not as tenants in common

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

(Cust.)

(Cust.)

Custodian for _____ Custodian for _____

(Minor)

(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

Minors Act of _____ 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 Bond and does hereby irrevocably constitute and appoint

_____ as his agent to transfer the Bond 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
Bond in every particular, without alternation or
enlargement or change whatever.

(Authorized Officer)

INCUMBENCY CERTIFICATE

I, John A. Crawford, Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** as follows:

1. The following are now, and have continuously been since the dates of beginning of their respective current terms shown below, the duly appointed, qualified and acting members of the Board of County Commissioners (the "Board"), and the dates of the beginning and ending of their respective current terms are hereunder correctly designated opposite their names:

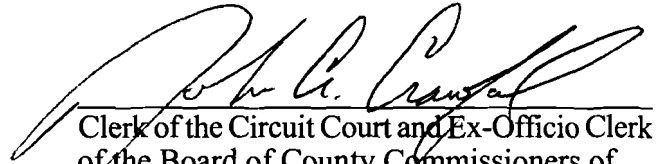
<u>Member</u>	<u>Beginning Date of Current Term</u>	<u>Ending Date of Current Term</u>
Marianne Marshall	November 2004	November 2008
Ansley N. Acree	November 2002	November 2006
Jim Higginbotham	November 2004	November 2008
Thomas Branan	November 2004	November 2008
Floyd L. Vanzant	November 2002	November 2006

2. The following are now, and have continuously been since the dates of beginning of their respective current terms of office shown below, the duly appointed, qualified and acting officers of the County and the dates of the beginning and ending of their respective current terms of office are hereunder correctly designated opposite their names:

<u>Office</u>	<u>Name</u>	<u>Beginning Date of Current Term</u>	<u>Ending Date of Office</u>
Vice-Chair	Thomas Branan	November 2004	November 30, 2005
Clerk	John A. Crawford	January 2005	January 2009

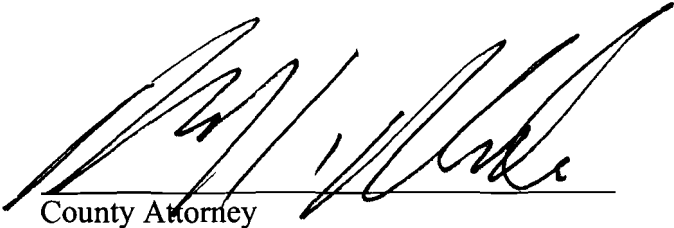
(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of November, 2005.

A handwritten signature in black ink, appearing to read "R. L. Crawford", written over a horizontal line.

Clerk of the Circuit Court and Ex-Officio Clerk
of the Board of County Commissioners of
Nassau County, Florida

I, Michael S. Mullin, County Attorney for Nassau County, Florida, do hereby certify that John A. Crawford is the duly elected and qualified Clerk of the Circuit Court and Ex-Officio Clerk of the Board.



County Attorney

SIGNATURE CERTIFICATE

We, the undersigned, **DO HEREBY CERTIFY** that:

1. We did heretofore officially execute the obligations described in Schedule A attached hereto (the "Bond") of Nassau County, Florida (the "County").


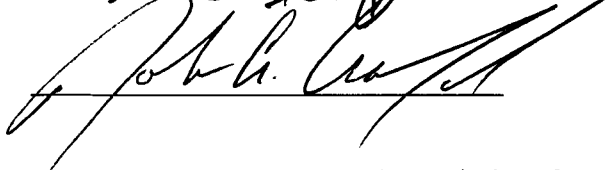
2. ~~Anoley N. Aerec~~ ^{Tom Branon Vice -} Chairman of the Board of County Commissioners of Nassau County, Florida (the "Board"), has executed the Bond by ~~his~~ manual signature, and that said ~~Chairman~~ ^{Vice} Chairman was on the date ~~his~~ manual signature was imprinted on the Bond and is now the duly chosen, qualified and acting Chairman of the Board.

3. We have caused the official seal of the County to be imprinted on the Bonds, said seal impressed thereon being the official seal of the County, and that John A. Crawford, Clerk of the Circuit Court and Ex-Officio Clerk of the Board, has caused such seal to be attested by his manual signature, and that said John A. Crawford was on the date his manual signature was imprinted on the Bond and is now the duly elected, qualified and acting Clerk of the Board.

4. The seal which has been imprinted on the Bond and impressed upon this certificate is the legally adopted, proper and only seal of the County.

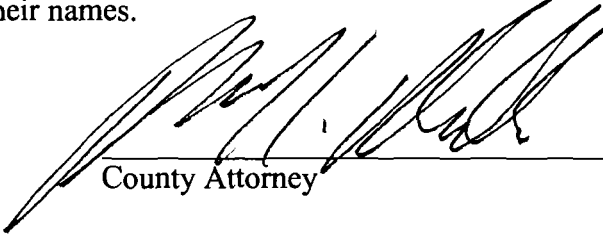
IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the County this 30th day of November, 2005.

(SEAL)

<u>Signature</u>	<u>Title of Office</u>	<u>Term of Office</u> <u>Expires</u>
	Vice - Chairman	November 30, 2005
	Clerk	January 2009

(Remainder of page intentionally left blank)

I, Michael S. Mullin, County Attorney for Nassau County, Florida, do hereby certify that the signatures of the officers which appear above are true and genuine and that I know said officers and know them to hold the offices set opposite their names.



County Attorney

SCHEDULE A

\$5,000,000

Nassau County, Florida

Capital Improvement Revenue Bond, Series 2005

The Series 2005 Bond is dated as of November 30, 2005 and is payable as to principal commencing October 1, 2006 and annually thereafter in the amounts set forth below on October 1 of each year, through and including its maturity on October 1, 2012, subject to adjustment as set forth in the Resolution referenced below:

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
2006	\$639,968.76
2007	662,926.85
2008	687,460.19
2009	712,518.58
2010	694,180.95
2011	765,329.62
2012	793,305.63

Interest shall be paid on each April 1 and October 1, commencing April 1, 2006, in an amount equal to the interest accrued and unpaid to such date.

The Series 2005 Bond bears interest at the rate of 3.58% per annum subject to adjustment as set forth in the Resolution of the County authorizing the issuance of the Series 2005 Bond.

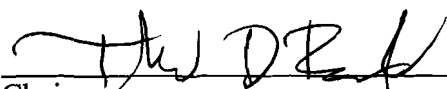
NO-LITIGATION CERTIFICATE

We, Tom Branan, Vice-Chairman of the Board of County Commissioners of Nassau County, Florida (the "County") and Michael S. Mullin, County Attorney for Nassau County, Florida, **DO HEREBY CERTIFY** that no legal proceedings are pending or, to the best of our knowledge, threatened which materially affect the County's ability to perform its obligations to the holder of the obligations described in Schedule A attached hereto (the "Bond") of the County. There is no litigation or controversy of any nature now pending or, to the best of our knowledge, threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bond or in any way contesting the validity of the Bond or any proceedings of the County taken with respect to the authorization, sale or issuance of said Bond or the pledge or application of any moneys provided for the payment of the Bond.


(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, we have hereunto set our hands this 30th day of November,
2005.

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



Via Chairman



County Attorney

SCHEDULE A

\$5,000,000
Nassau County, Florida
Capital Improvement Revenue Bond, Series 2005

The Series 2005 Bond is dated as of November 30, 2005 and is payable as to principal commencing October 1, 2006 and annually thereafter in the amounts set forth below on October 1 of each year, through and including its maturity on October 1, 2012, subject to adjustment as set forth in the Resolution referenced below:

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
2006	\$639,968.76
2007	662,926.85
2008	687,460.19
2009	712,518.58
2010	738,490.37
2011	765,329.62
2012	793,305.63

Interest shall be paid on each April 1 and October 1, commencing April 1, 2006, in an amount equal to the interest accrued and unpaid to such date.

The Series 2005 Bond bears interest at the rate of 3.58% per annum subject to adjustment as set forth in the Resolution of the County authorizing the issuance of the Series 2005 Bond.

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

I, John A. Crawford, Clerk of the Circuit Court and Ex Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), being a person duly charged, together with others, with the responsibility for issuing the County's \$5,000,000 Capital Improvement Bond, Series 2005 (the "Bond"), dated as of November 30, 2005 and being issued this day, **DO HEREBY CERTIFY** that:

1. AUTHORIZATION AND DEFINITIONS. The Bond is being issued pursuant to the authority contained in Section 125.01, et seq., Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 2005-173 of the County, adopted November 28, 2005 (the "Resolution") and the provisions of that certain Loan Agreement (the "Loan Agreement"), dated as of November 1, 2005, by and between the County and SunTrust Bank (the "Bank" or the "Purchaser").

The terms defined in the Resolution and the Loan Agreement shall retain the meanings set forth therein when used in this Certificate unless the context clearly indicates another meaning is intended. Other terms used in this Certificate shall have the meanings set forth for same in other provisions hereof or in the Code, or in the Regulations, or in the Arbitrage Rebate Statement attached hereto as Exhibit A, in each case unless the context clearly indicates another meaning is intended.

2. PURPOSE. The Bond is being issued for the purposes of (i) financing the cost of the engineering, acquisition, installation and implementation of a five-site, five-channel, simulcast land mobile communications system (the "Project"); and (ii) paying certain costs of issuance of the Bond.

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

(a) NET PROCEEDS.

(i) Total. The amount of proceeds received by the County from the sale of the Bond (the "Net Proceeds") consists of the principal amount of \$5,000,000.

(ii) Project Costs. An amount of Net Proceeds of the Bond of \$5,000,000 will be used to pay the Costs of the Project.

(b) NO OVERISSUANCE. The Net Proceeds of the Bond (the "Original Proceeds") will be used to finance the costs of the Project. Taking into account other available funds, the amount of Net Proceeds necessary to finance the Project equals or exceeds the amount of Original Proceeds.

(c) PROJECT COSTS:

(i) Project Fund. An amount of the Original Proceeds of the Bond equal to \$5,000,000 will be used to pay for a portion of the Project Costs.

(ii) Use of Original Proceeds. The County expects to spend all of the Original Proceeds of the Bond and Investment Proceeds related thereto on or before November 30, 2007.

(iii) Binding Obligations. The County has spent or expects, within six months of the date hereof, to spend (or to enter into binding obligations with third parties obligating the County to spend) from the Original Proceeds of the Bond and Investment Proceeds thereon, an amount at least equal to the lesser of \$100,000 or 2 ½ percent of the cost of that portion of the Project to be funded from the Original Proceeds in order to commence or acquire such portion of the Project.

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

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

(d) FLOW OF FUNDS. The Bond is secured by a pledge of and lien upon the Pledged Funds, as defined in the Loan Agreement, and by a covenant to budget and appropriate Non-Ad Valorem Revenues as described therein.

(i) Sinking Fund. On or before the Business Day prior to each date fixed for the payment of principal or interest on the Bond, the County shall deposit from Non-Ad Valorem Revenues budgeted and appropriated pursuant to the covenant contained in the Loan Agreement to the Sinking Fund the amounts sufficient to pay the interest and principal becoming due on the Bond 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 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 of the Loan Agreement or of any tax compliance certificate delivered in connection with the delivery of the Bond, all income from the investment of moneys in the fund and accounts established by the Loan Agreement shall, upon receipt thereof, be deposited to the credit of the Sinking Fund and used for the purposes thereof.

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 Bond then outstanding.

(iii) No Other Funds and Accounts. Other than the Sinking Fund described in this Certificate, no fund or account has been established pursuant to any instrument which secures or otherwise relates to the Bond.

4. YIELD.

(a) GENERAL. For purposes of this Certificate, bond yield is, and shall be, calculated in the manner provided in Treasury Regulations Section 1.148-4, and the provisions therein will be complied with in all respects. The term "bond yield" means, with respect to a bond, the discount rate that when used in computing the present value of all the unconditionally payable payments of principal and interest and all the payments for a qualified guarantee paid and to be paid with respect to the bond produces an amount equal to the present value of the issue price of the bond. In computing the purchase price of the Bond, which is equal to the issue price, the County did not take into consideration the costs of issuance. The purchase price of the Bond, therefore, is the principal amount of \$5,000,000. For purposes hereof, yield is, and shall be, calculated on a 365-day year based on actual number of days. The yield on the Bond calculated in the above-described manner is equal to 3.58%, as calculated by RBC Dain Rauscher, financial advisor to the County, as the same may change from time to time as set forth in the Resolution (the "Bond Yield"). It should be noted, however, that such yield may, under certain circumstances set forth in the Treasury Regulations, be subject to recalculation. See Exhibit A hereto.

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

(b) SINKING FUND. Amounts held in the Sinking Fund which are set aside for the payment of the principal of and interest on the Bond will be invested without regard to yield restriction for a period not to exceed thirteen (13) months from the date of deposit of such amounts in such Fund. Any amounts not expended within the period set forth above shall be invested at a yield not in excess of the Bond Yield.

(c) PROJECT COSTS. Amounts derived from Original Proceeds to be used to pay Project Costs will be invested without regard to yield restrictions for a period not exceeding three years from the date hereof. Any such amounts not expended within the period set forth above shall, to the extent not invested in tax-exempt investments, be invested at a yield not in excess of the Bond Yield or shall be subject to yield reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

(d) **INVESTMENT EARNINGS.** All investment earnings on Original Proceeds to be used to pay Project Costs may be invested without regard to yield restrictions for a period not to exceed three (3) years from the date hereof. Any investment earnings on Original Proceeds to be used to pay Project Costs not expended within three (3) years from the date hereof shall be invested at a Yield not in excess of the Bond Yield. All investment earnings on amounts in the Sinking Fund may be invested without regard to yield restriction for a period not to exceed one (1) year from the date of receipt of the amount earned. All investment earnings on amounts in the Sinking Fund not expended within one (1) year from the date of receipt shall be invested at a yield not in excess of the Bond Yield.

5. FURTHER CERTIFICATIONS. The County will take no action which would cause the Bond to become a Private Activity Bond or Industrial Development Bond (as such terms are defined in the Code), including, without limitation, any sale, lease, management or similar use of the Project to or by any person other than a governmental unit. None of the Gross Proceeds of the Bond will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit.

The Bond does not constitute a "private loan" within the meaning of Section 141(c) of the Code. No bonds or other obligations of the County (a) were sold in the 15 days preceding the date of sale of the Bond, (b) were sold or will be sold within the 15 days after the date of sale of the Bond, (c) have been delivered in the past 15 days, or (d) will be delivered in the next 15 days, pursuant to a common plan of financing with the plan for the issuance of the Bond and payable out of substantially the same source of revenues.

The County does not expect that the proceeds of the Bond will be used in a manner that would cause it to be an arbitrage bond under Section 148 of the Code. The County does not expect that the proceeds of the Bond will be used in a manner that would cause the interest on the Bond to be includable in the gross income of the holder of the Bond under Section 103 of the Code.

The maturity of the Bond does not exceed 120% of the average reasonably expected economic life of the equipment constituting the Project.

6. REBATE. The County agrees to comply with the terms of the Arbitrage Rebate Statement attached hereto as Exhibit A.

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

8. BOND NOT FEDERALLY GUARANTEED. Payment of debt service on the Bond is not directly or indirectly guaranteed in whole or in part by the United States, within the

meaning of Section 149(b) of the Code. None of the Original Proceeds of the Bond will be invested directly or indirectly in federally insured deposits or accounts except for Original Proceeds invested during the applicable temporary periods described in Section 3(c)(ii) hereof until such Original Proceeds are needed for the purpose for which the Bond is being issued.

9. BOND NOT HEDGE BOND. It is reasonably expected that not less than 85% of the Original Proceeds will be used to carry out the governmental purposes of the Bond within three (3) years from the date hereof. None of the Original Proceeds will be invested in nonpurpose investments having a substantially guaranteed yield for four (4) years or more (including but not limited to any investment contract or fixed yield investment having a maturity of four (4) years or more). The reasonable expectations stated above are not based on and do not take into account any expectations or assumptions as to the occurrence of changes in market interest rates or of federal tax law or regulations or rulings thereunder. Those reasonable expectations are not based on any prepayments of items other than items which are customarily prepaid.

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

11. INFORMATION. The County agrees to file all information statements as may be required by the Code.

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

13. NO REPLACEMENT. No portion of the amounts received from issuance, conversion, sale or remarketing of the Bond will be used as a substitute for other funds which were otherwise to be used for the payment of debt service on the Bond, and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the Bond Yield.

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

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

(Remainder of page intentionally left blank)

(SIGNATURE PAGE FOR CERTIFICATE AS TO ARBITRAGE)

IN WITNESS WHEREOF, I have hereunto set my hand as of this 30th day of November, 2005.

NASSAU COUNTY, FLORIDA

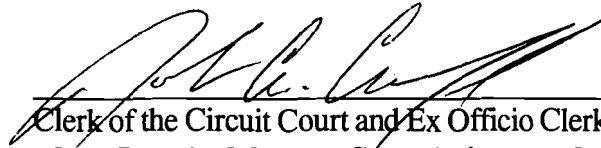

Clerk of the Circuit Court and Ex Officio Clerk
of the Board of County Commissioners of
Nassau County, Florida

EXHIBIT A

ARBITRAGE REBATE STATEMENT

This Arbitrage Rebate Statement is intended to set forth certain duties and requirements necessary for compliance with Section 148(f) of the Code to the extent necessary to preserve the tax exempt treatment of interest on the Bond. This Statement is based upon Section 148(f) of the Code and, by analogy, to the Regulations. However, it is not intended to be exhaustive.

Since the requirements of such Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify this Statement from time to time to reflect any additional or different requirements of such Section and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bond.

For purposes hereof, any covenant relating to a fund, account or subaccount established under the Resolution shall be deemed to apply only to that portion of such fund, account or subaccount allocable to the Bond.

SECTION 1. TAX COVENANTS. Pursuant to the Loan Agreement, the County has made certain covenants designed to assure that the interest with respect to the Bond is and shall remain excludable from gross income for purposes of federal income taxation. The County shall not, directly or indirectly, use or permit the use of any proceeds of the Bond or any other funds or take or omit to take any action that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or that would cause interest on the Bond to be included in gross income for federal income tax purposes under the provisions of the Code. The County shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bond will be excludable from gross income for purposes of federal income taxation. To that end, the County shall comply with all requirements of Section 148 of the Code to the extent applicable to the Bond.

SECTION 2. DEFINITIONS. Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Loan Agreement and in the County's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bond, as appropriate.

"**Bond Counsel**" means Nabors, Giblin & Nickerson, P.A., or such other firm of nationally recognized bond counsel as may be selected by the County.

"**Bond Year**" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date; provided, however, that the County may select any other day as the end of a Bond Year if such selection is made prior to the earlier of the final maturity date of the Bond or the fifth anniversary of the Issue Date.

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

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations proposed or promulgated thereunder.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Final Computation Date" means the date the Bond is discharged.

"Gross Proceeds" means, with respect to the Bond:

- (1) Amounts constituting Sale Proceeds of the Bond.
- (2) Amounts constituting Investment Proceeds of the Bond.
- (3) Amounts constituting Transferred Proceeds of the Bond.
- (4) Other amounts constituting Replacement Proceeds of the Bond, including Pledged Moneys.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bond.

"Investment Property" means any security or obligation held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

"Issue Date" means November 30, 2005.

"Net Proceeds" means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bond, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bond, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bond or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bond if the County encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bond.

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. For a guaranteed investment contract, a broker's commission paid on behalf of either an issuer or the provider is not a Qualified Administrative Cost to the extent that the present value of the commission, as of the date the contract is allocated to the bonds, exceeds the present value of annual payments equal to 0.5 percent of the weighted average amount reasonably expected to be invested each year of the term of the contract. For this purpose, present value is computed using the taxable discount rate used by the parties to compute the commission or, if not readily ascertainable, a reasonable taxable discount rate.

"Rebatable Arbitrage" means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

"Regulations" means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

"Replacement Proceeds" means amounts that have a sufficiently direct nexus to the Bond or the governmental purpose of the Bond to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bond were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bond, if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

"Sale Proceeds" means any amounts actually or constructively received by the County from the sale of the Bond, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not

limited to, amounts derived from the sale of a right that is associated with the Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"Tax-Exempt Investment" means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of this Rebate Statement, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax-exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax-exempt obligations or (2) the weighted average value of its assets represented by investments in tax-exempt obligations.

"Transferred Proceeds" shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

"Universal Cap" means the Value of the then outstanding Bond.

"Value" (of a Bond) means the outstanding principal amount, plus accrued unpaid interest.

"Value" (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that:

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

"Yield on the Bond" or "Bond Yield" means, for all Computation Dates, the Yield expected as of the date hereof on the Bond over the term of such Bond computed by:

(i) using as the purchase price of the Bond, the amount at which such Bond was sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that the Bond will be paid at its scheduled maturity date or in accordance with any mandatory redemption requirements.

"Yield" means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for a qualified guarantee paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded semi-annually. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of this Statement, as of the date that it becomes allocated to Gross Proceeds of the Bond.

SECTION 3. REBATE REQUIREMENTS.

(a) The County shall pay to the United States Government at the times and in the amounts determined hereunder the Rebateable Arbitrage. For purposes of determining the Rebateable Arbitrage, the County shall cause the calculations described below to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Treasury Regulations relating to arbitrage rebate.

(b) Within thirty (30) days after any Computation Date, the County shall calculate or cause to be calculated the Rebateable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than sixty (60) days following the Computation Date, the County shall remit an amount which when added to the future value of previous rebate payments shall not be less than ninety percent (90%) (one hundred percent (100%) with respect to the Computation Date on the final repayment or retirement of the Bond) of the Rebateable Arbitrage.

Each payment shall be accompanied by Form 8038-T.

(c) The obligation to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bond if Gross Proceeds are expended for the governmental purpose of the Bond by no later than the date which is six (6) months after the Issue Date and if it is not anticipated that any other Proceeds will arise during the remainder of the term of the Bond. For purposes described above, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f), of the Regulations, (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six (6) months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, Rebatable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem the Bond shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six (6) months after the Issue Date, then the requirements described herein relating to the calculation of Rebatable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial 6-month period. Any other amounts not described in this Section 3(c) which constitute Gross Proceeds, other than a bona fide debt service fund, will be subject to rebate.

(d) As an alternative to paragraph (c) above, the obligation of the County to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bond if the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least fifteen percent (15%) of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least sixty percent (60%) of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least one hundred percent (100%) of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (e), one hundred percent (100%) of the Gross Proceeds of the Bond shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period

beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding five percent (5%) of the Net Proceeds of the Bond). If Gross Proceeds are in fact expended by such dates, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the County exercises due diligence to complete the project financed by the Bond and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the Bond or \$250,000. Use of Gross Proceeds to redeem the Bond shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (d), "Gross Proceeds" shall be modified as described in paragraph (c) above.

(e) The County shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bond, including moneys derived from, pledged to, or to be used to make payments on the Bond. Such records shall, at a minimum, be adequate to enable the County or its consultants to make the calculations for payment of Rebatale Arbitrage as required by this Statement. The records required to be maintained under this Section 3(e) shall be retained by the County until six (6) years after the retirement of the last obligation of the Bond or for such other period as the United States Treasury may, by regulations, otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

SECTION 4. MARKET PRICE RULES. Except as provided below, the County agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations. All investments required to be made pursuant to this Statement shall be made to the extent permitted by law. In this regard, the County agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds), for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in a bona fide arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Arm's-length price for investment contracts. In the case of an investment contract, the purchase price of the investment contract shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) At least three bids on the investment contract are received from reasonably competitive providers (of investment contracts) that have no material financial interest in the Bonds.

(ii) The County purchases the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the County's reasonably expected draw-down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) the obligor on the guaranteed investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

Certificates in substantially the form of subparagraph (v) and (vi) above must be obtained to evidence the foregoing.

SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION.

Notwithstanding any provision of this Statement, if the County shall receive an opinion of Bond Counsel that any specified action required under this Statement is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bond, the County may conclusively rely on such opinion in complying with the requirements of this Statement and the covenants herein shall be deemed to be modified to that extent. This Statement shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

SECTION 6. ACCOUNTING FOR GROSS PROCEEDS. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the County must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the County agrees to comply.

SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS. Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

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

Allocation and accounting rules are provided in Appendix I attached hereto.

ALLOCATION AND ACCOUNTING RULES

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; of (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principal that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding Bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

ISSUER'S GENERAL CERTIFICATE

The undersigned, Tom Branan, Vice-Chairman of the Board of County Commissioners of Nassau County, Florida (the "County"), hereby certifies as follows:

1. Resolution No. 2005-173 of the Board of County Commissioners of the County has been adopted and is in full force and effect.
2. The County has never been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued by the County.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 30th day of November, 2005.

(SEAL)



Vice-Chairman, Board of County Commissioners of
Nassau County, Florida

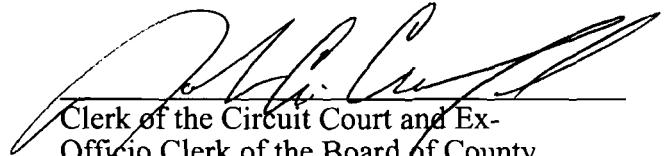
CERTIFICATE AS TO SPECIMEN BOND

I, John A. Crawford, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto as Exhibit A is a specimen of the County's Capital Improvement Revenue Bond, Series 2005 (the "Bond"), which specimen is identical in all respects, except as to registered holder, date of authentication, principal amount and number, with the Bond this day delivered to the initial purchaser thereof.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 30th day of November, 2005.

(SEAL)



Clerk of the Circuit Court and Ex-
Officio Clerk of the Board of County
Commissioners of Nassau County, Florida

NO. R-1

NASSAU COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2005

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
3.58%*	October 1, 2012	November 30, 2005

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$5,000,000

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 then outstanding pursuant to the terms of that certain Loan Agreement dated as of November 1, 2005 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 an actual 365-day basis. This Bond shall bear interest at a fixed rate of interest equal to 3.58%. The Rate of Interest on this Bond is subject to adjustment as set forth in the Agreement under the definition of "Stated Rate." Interest on the Bond shall be payable on each April 1 and October 1, commencing April 1, 2006 and at the maturity of the Bond, calculated on an actual 365-day basis. Principal due on this Bond shall be paid each October 1, commencing October 1, 2006, in the amounts set forth below:

<u>Year (October 1)</u>	<u>Amount</u>
2006	\$639,968.76
2007	662,926.85
2008	687,460.19
2009	712,518.58
2010	738,490.37
2011	765,329.62
2012	793,305.63

*Subject to adjustment as provided herein.

This Bond may be prepaid in whole or in part prior to maturity upon payment of the prepayment price set forth in the Agreement. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Bond 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 the Resolution duly adopted by the Board of County Commissioners of the County on November 28, 2005 (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 Bond is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on this Bond during such Fiscal Year, as more particularly provided in the Agreement.

This Bond 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 Bond. This Bond 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 Bond 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 Bond, have happened, exist and have been performed in regular and due form and time as so required.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Board of County Commissioners of Nassau County, Florida, has caused this Bond to be executed by its Chairman, and attested by its 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 Bond to be dated November 30, 2005.

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

ANSLEY N. ACREE
Its: Chairman

ATTEST:

JOHN A. CRAWFORD
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney

MICHAEL S. MULLIN

SPECIAL AGENT

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

TEN ENT - as tenants by the entireties and not as tenants in common

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

(Cust.)

(Cust.)

Custodian for _____

Custodian for _____

(Minor)

(Minor)

under Uniform Gifts to Minor under Uniform Transfers to

Minors Act of _____

Minors Act of _____

(State)

(State)

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

SPECIMEN

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 Bond and does hereby irrevocably constitute and appoint

as his agent to transfer the Bond 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
Bond in every particular, without alternation or
enlargement or change whatever.

(Authorized Officer)


SPECIAL

COUNTY'S CERTIFICATE AS TO DELIVERY AND PAYMENT

I, John A. Crawford, Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that on the date hereof I caused to be delivered to SunTrust Bank (the "Purchaser"), the obligations of the County described in Schedule A attached hereto, and received on this date from the Purchaser in full payment therefor, the sum of \$5,000,000. The undersigned does hereby acknowledge that SunTrust Bank is the registered owner of such obligations on the registration books of the County as of the date hereof.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 30th day of November, 2005.



Clerk of the Circuit Court and Ex-
Officio Clerk of the Board of County
Commissioners of Nassau County, Florida

(SEAL)

SCHEDULE A

**\$5,000,000
Nassau County, Florida
Capital Improvement Revenue Bond, Series 2005**

The Series 2005 Bond is dated as of November 30, 2005 and is payable as to principal commencing October 1, 2006 and annually thereafter in the amounts set forth below on October 1 of each year, through and including its maturity on October 1, 2012, subject to adjustment as set forth in the Resolution referenced below:

<u>Year (October 1)</u>	<u>Amount</u>
2006	\$639,968.76
2007	662,926.85
2008	687,460.19
2009	712,518.58
2010	738,490.37
2011	765,329.62
2012	793,305.63

Interest shall be paid on each April 1 and October 1, commencing April 1, 2006, in an amount equal to the interest accrued and unpaid to such date.

The Series 2005 Bond bears interest at the rate of 3.58% per annum subject to adjustment as set forth in the Resolution of the County authorizing the issuance of the Series 2005 Bond.

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

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

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name Nassau County, Florida		2 Issuer's employer identification number 59 1863042	
3 Number and street (or P.O. box if mail is not delivered to street address) 191 Nassau Place		Room/suite	4 Report number 3 05-02
5 City, town, or post office, state, and ZIP code Yulee, Florida 32097			6 Date of issue November 30, 2005
7 Name of issue Nassau County Capital Improvement Revenue Bond, Series 2005			8 CUSIP number N/A
9 Name and title of officer or legal representative whom the IRS may call for more information Mark T. Mustian		10 Telephone number of officer or legal representative (850) 224-4070	

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

11 <input type="checkbox"/> Education	11	
12 <input type="checkbox"/> Health and hospital	12	
13 <input type="checkbox"/> Transportation	13	
14 <input checked="" type="checkbox"/> Public safety	14	5,000,000
15 <input type="checkbox"/> Environment (including sewage bonds)	15	
16 <input type="checkbox"/> Housing	16	
17 <input type="checkbox"/> Utilities	17	
18 <input type="checkbox"/> Other. Describe <input type="checkbox"/>	18	
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input 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	10/1/2012	\$ 5,000,000	\$ 5,000,000	7 years	3.58 %

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

22 Proceeds used for accrued interest	22	-0-
23 Issue price of entire issue (enter amount from line 21, column (b))	23	5,000,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	-0-
25 Proceeds used for credit enhancement	25	-0-
26 Proceeds allocated to reasonably required reserve or replacement fund	26	-0-
27 Proceeds used to currently refund prior issues	27	-0-
28 Proceeds used to advance refund prior issues	28	-0-
29 Total (add lines 24 through 28)	29	-0-
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	5,000,000

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____	years
33 Enter the last date on which the refunded bonds will be called	_____	
34 Enter the date(s) the refunded bonds were issued	_____	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b Enter the final maturity date of the guaranteed investment contract		
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____		
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input 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.

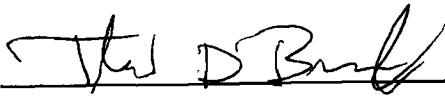
Sign Here

Signature of issuer's authorized representative	Date	See signature page attached	Type or print name and title
---	------	-----------------------------	------------------------------



SIGNATURE PAGE FOR IRS FORM 8038-G

BOARD OF COUNTY
COMMISSIONERS OF NASSAU
COUNTY, FLORIDA



Vice-Chairman

TALLAHASSEE
Suite 200
1500 Mahan Drive
Tallahassee, Florida 32308
(850) 224-4070 Tel
(850) 224-4073 Fax

**Nabors
Giblin &
Nickerson** P.A.
ATTORNEYS AT LAW

TAMPA
The Pointe, Suite 1060
2502 Rocky Point Drive
Tampa, Florida 33607
(813) 281-2222 Tel
(813) 281-0129 Fax

Reply to Tallahassee

November 30, 2005

VIA CERTIFIED MAIL

Internal Revenue Service Center
Ogden, Utah 84201

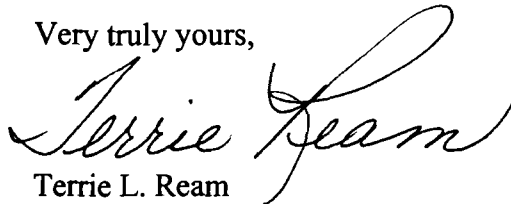
Re: \$5,000,000 Nassau County, Florida Capital Improvement Revenue Bond, Series 2005

Ladies and Gentlemen:

On behalf of Nassau County, Florida, enclosed for filing is IRS Form 8038-G with respect to the above-referenced transaction.

If you have any questions, please feel free to call me.

Very truly yours,



Terrie L. Ream
Legal Assistant

/tlr

Enclosure

STATE OF FLORIDA
DIVISION OF BOND FINANCE
LOCAL BOND MONITORING SECTION

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

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

BF2003
BOND INFORMATION FORM

PART I. ISSUER INFORMATION

1. NAME OF GOVERNMENTAL UNIT: Nassau County, Florida
2. MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER: Post Office Box 456
Fernandina Beach, Florida 32035-0456
3. COUNTY(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION: Nassau
4. TYPE OF ISSUER: COUNTY CITY AUTHORITY INDEPENDENT SPECIAL DISTRICT
 DEPENDENT SPECIAL DISTRICT OTHER (SPECIFY) _____

PART II. BOND ISSUE INFORMATION

1. NAME OF BOND ISSUE: Capital Improvement Revenue Bond, Series 2005
2. AMOUNT ISSUED: \$ 5,000,000 3. AMOUNT AUTHORIZED: \$ 5,000,000
4. DATED DATE: 11/30/2005 5. SALE DATE: 11/28/2005 6. DELIVERY DATE: 11/30/2005
7. LEGAL AUTHORITY FOR ISSUANCE: FLORIDA STATUTES Section 125.01, et seq.
SPECIAL ACTS _____
OTHER _____
8. TYPE OF ISSUE: GENERAL OBLIGATION SPECIAL ASSESSMENT SPECIAL OBLIGATION
 REVENUE COP (CERTIFICATE OF PARTICIPATION) LEASE-PURCHASE
 BANK LOAN/LINE OF CREDIT
9. A. IS THIS A PRIVATE ACTIVITY BOND (PAB)? YES NO
B. (1) IF YES, DID THIS ISSUE RECEIVE A PAB ALLOCATION? YES NO
(2) IF YES, AMOUNT OF ALLOCATION: \$ _____
10. SPECIFIC REVENUE(S) PLEDGED:
(1) PRIMARY Covenant to budget and appropriate non-ad valorem revenues
(2) SECONDARY _____
(3) OTHER(S) _____

11 A. PURPOSE(S) OF THE ISSUE:

- (1) PRIMARY Acquire and install communications system
- (2) SECONDARY _____
- (3) OTHER(S) _____

B. IF PURPOSE IS REFUNDING, COMPLETE THE FOLLOWING:

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

Not applicable

(2) REFUNDED DEBT HAS BEEN: RETIRED OR DEFEASED

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

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

12. TYPE OF SALE: COMPETITIVE BID NEGOTIATED NEGOTIATED PRIVATE PLACEMENT

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

NET INTEREST COST RATE (NIC) _____ % TRUE INTEREST COST RATE (TIC) _____%

CANADIAN INTEREST COST RATE (CIC) _____ % ARBITRAGE YIELD (ARBI) _____%

SPECIFY OTHER: Stated interest rate: 3.58%

14. INSURANCE/ENHANCEMENTS: AGIC AMBAC CGIC CLIC FGIC FSA
 HUD MBIA NGM LOC(LETTER OF CREDIT) OTHER (SPECIFY) _____

NOT INSURED

15. RATING(S): MOODY'S S & P FITCH DUFF&PHELPS OTHER (SPECIFY) _____

NOT RATED

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

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

17. LIST OR ATTACH OPTIONAL REDEMPTION PROVISIONS: See attached Appendix A

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

19. PROVIDE THE NAME(S) AND ADDRESS(ES) OF ANY ATTORNEY OR FINANCIAL CONSULTANT WHO ADVISED THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE.

NO BOND COUNSEL NO FINANCIAL ADVISOR NO OTHER PROFESSIONALS

BOND COUNSEL(S):
Nabors, Giblin & Nickerson, P.A.
1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308

FINANCIAL ADVISOR(S)/CONSULTANT(S):
RBC Dain Rauscher
One Independent Drive, Suite 3204
Jacksonville, Florida 32302-5019

OTHER PROFESSIONALS:

20. PAYING AGENT County Clerk NO PAYING AGENT

21. REGISTRAR County Clerk NO REGISTRAR

22. COMMENTS: _____

PART III. RESPONDENT INFORMATION

FOR ADDITIONAL INFORMATION, THE DIVISION SHOULD CONTACT:

Name and Title Mark T. Mustian, Bond Counsel Phone 850/224-4070
Company Nabors, Giblin & Nickerson, P.A.

INFORMATION RELATING TO PARTY COMPLETING THIS FORM (If different from above):

Name and Title _____ Phone _____
Company _____

Date Report Submitted _____

BF2004-A and BF2004-B

NOTE: The following items are required to be completed in full for **all** bond issues **except** those sold pursuant to Section 154 Part III, Sections 159 Parts II, III or V; or Section 243 Part II, Florida Statutes.

23. ANY FEE, BONUS, OR GRATUITY PAID BY ANY UNDERWRITER OR FINANCIAL CONSULTANT, IN CONNECTION WITH THE BOND ISSUE, TO ANY PERSON NOT REGULARLY EMPLOYED OR ENGAGED BY SUCH UNDERWRITER OR CONSULTANT:

NO FEE, BONUS OR GRATUITY PAID BY UNDERWRITER OR FINANCIAL CONSULTANT

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

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

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

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

24. ANY OTHER FEES PAID BY THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OR FINANCIAL CONSULTANTS:

NO FEES PAID BY ISSUER

(1) COMPANY NAME Nabors, Giblin & Nickerson, P.A.
FEE PAID: \$ 12,500 SERVICE PROVIDED or FUNCTION SERVED: Bond Counsel

(2) COMPANY NAME RBC Dain Rauscher
FEE PAID: \$ 12,500 SERVICE PROVIDED or FUNCTION SERVED: Financial Advisor

(3) COMPANY NAME Rogers Towers
FEE PAID: \$ 3,500 SERVICE PROVIDED or FUNCTION SERVED: Bank Counsel

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

(UNLESS YOU ARE EXEMPT FROM FILING A BF2004), PLEASE PROVIDE THE SIGNATURE OF EITHER THE CHIEF EXECUTIVE OFFICER OF THE GOVERNING BODY OF THE UNIT OF LOCAL GOVERNMENT OR THE GOVERNMENTAL OFFICER PRIMARILY RESPONSIBLE FOR COORDINATING THE ISSUANCE OF THE BONDS:

NAME (Typed/Printed): _____

SIGNATURE: _____

TITLE: _____

DATE: _____

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

25. MANAGEMENT FEE CHARGED BY UNDERWRITER: \$ _____ PER THOUSAND PAR VALUE.
OR
PRIVATE PLACEMENT FEE: \$ _____
 NO MANAGEMENT FEE OR PRIVATE PLACEMENT FEE
26. UNDERWRITER'S EXPECTED GROSS SPREAD: \$ _____ PER THOUSAND PAR VALUE.
 NO GROSS SPREAD

PART IV. CONTINUING DISCLOSURE INFORMATION

In order to better serve local governments, the Division of Bond Finance will remind issuers as their deadlines approach for filing continuing disclosure information required by SEC Rule 15c2-12, based on the following information:

27. Is the issuer required to provide continuing disclosure information in accordance with SEC Rule 15c2-12?
 Yes No

28. If yes, on what date is the continuing disclosure information required to be filed?

29. Provide the following information regarding the person(s) responsible for filing continuing disclosure information required by SEC Rule 15c2-12 and the continuing disclosure agreement (including other obligated parties, if appropriate).

Name: _____
Title: _____
Mailing Address: _____

Telephone Number: _____
FAX Number: _____
E-mail address (if e-mail notification is requested): _____

PART V. RETURN THIS FORM AND THE FINAL OFFICIAL STATEMENT, IF ONE WAS PREPARED,

TO:

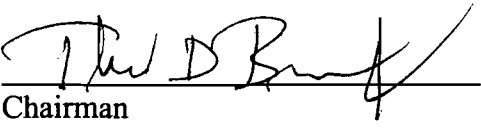
Courier Deliveries: Division of Bond Finance
State Board of Administration
1801 Hermitage Blvd., Suite 200
Tallahassee, FL 32308

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

Phone: 850/413-1304 or 413-1305
FAX: 850/413-1315

REVISED Dec. 9, 2002 / bfcombo

SIGNATURE PAGE FOR BF2003


Vice - Chairman

APPENDIX A

OPTIONAL REDEMPTION PROVISIONS

The Bond may, at the option of the County, be prepaid prior to maturity in whole or in part on any date at a prepayment price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof and upon payment of a premium calculated as provided in the Loan Agreement.

SCHEDULE I

<u>MATURITY DATE</u> <u>(MO/DAY/YR)</u>	<u>COUPON/</u> <u>INTEREST RATES</u>	<u>ANNUAL</u> <u>INTEREST PAYMENTS</u>	<u>PRINCIPAL</u> <u>PAYMENTS</u>	<u>MANDATORY TERM</u> <u>AMORTIZATION</u>
10/1/2006	3.58%	\$149,575.35	\$639,968.76	
10/1/2007	3.58%	156,089.12	662,926.85	
10/1/2008	3.58%	132,718.96	687,460.19	
10/1/2009	3.58%	107,745.26	712,518.58	
10/1/2010	3.58%	82,237.10	738,490.37	
10/1/2011	3.58%	55,799.14	765,329.62	
10/1/2012	3.58%	28,478.16	793,305.63	

TALLAHASSEE

Suite 200
1500 Mahan Drive
Tallahassee, Florida 32308
(850) 224-4070 Tel
(850) 224-4073 Fax

**Nabors
Giblin &
Nickerson** P.A.
ATTORNEYS AT LAW

TAMPA

The Pointe, Suite 1060
2502 Rocky Point Drive
Tampa, Florida 33607
(813) 281-2222 Tel
(813) 281-0129 Fax

Reply to Tallahassee

November 30, 2005

Division of Bond Finance
State Board of Administration of Florida
P. O. Drawer 13300
Tallahassee, Florida 32317-3300

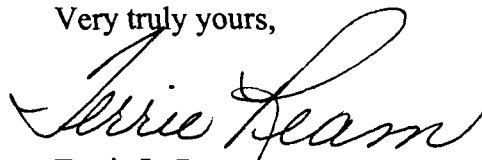
Re: \$5,000,000 Nassau County, Florida Capital Improvement Revenue Bond, Series 2005

Ladies and Gentlemen:

Enclosed herewith, on behalf of Nassau County, Florida is form BF 2003 with respect to the issuance of the above-referenced bonds.

If you have any questions or require any additional information, please call me.

Very truly yours,



Terrie L. Ream
Legal Assistant

/vh
Enclosures

November 30, 2005

Board of County Commissioners of
Nassau County, Florida
Yulee, Florida

Re: Nassau County, Florida
Capital Improvement Revenue Bond, Series 2005

Commissioners:

In connection with the proposed issuance by Nassau County, Florida (the "Issuer") of its \$5,000,000 Capital Improvement Bond, Series 2005 (the "Bond"), SunTrust Bank (the "Purchaser") has committed to purchase the Bonds.

The purpose of this letter is to furnish pursuant to the provisions of Section 218.385(2), Florida Statutes, certain information in respect of the arrangements contemplated for the purchase of the Bond as follows:

- (a) The Purchaser has not incurred any expenses in connection with the purchase of the Bond.
- (b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Purchaser, for the purpose of influencing any transaction in the purchase of the Bond.
- (c) The Bond will be purchased at par; consequently, there is no underwriting spread.
- (d) No management fee will be paid.
- (e) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Bonds to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes).
- (f) No other dealer firms were associated for the purpose of underwriting the Bond.
- (g) The Issuer is proposing to issue \$5,000,000 of debt or obligation for the purposes described in the Issuer's Bond Resolution adopted November 28, 2005. This debt or obligation is expected to be repaid over a period of seven years. At an approximate forecasted average interest rate of 3.58%, total


interest paid over the life of the debt or obligation will be \$712,643.09. The foregoing is for information purposes only and does not supersede or amend the terms of the Bond.

(h) The source of repayment or security for this proposal is a covenant to budget and appropriate legally available non-ad valorem revenues as described in the Loan Agreement.

We understand that you do not require any further disclosure from the Purchaser pursuant to Section 218.385(2), Florida Statutes.

Very truly yours,

SUNTRUST BANK

By: 
Senior Vice President

CERTIFICATE AS TO DELIVERY AND PAYMENT

November 30, 2005

Board of County Commissioners
of Nassau County, Florida
Yulee, Florida

Dear Commissioners:

We have delivered on your behalf a wire transfer in the aggregate amount of \$5,000,000 being payment of the \$5,000,000 Capital Improvement Bond, Series 2005, received today from you by the undersigned. The undersigned hereby acknowledges delivery of said Bonds.

SUNTRUST BANK

By: 
Senior Vice President

Please acknowledge receipt of the foregoing deposit by signing and returning the original or a counterpart of this letter.

NASSAU COUNTY, FLORIDA

Clerk of the Circuit Court and Ex-Officio
Clerk of the Board of County Commissioners
of Nassau County, Florida

CERTIFICATE AS TO DELIVERY AND PAYMENT

November 30, 2005

Board of County Commissioners
of Nassau County, Florida
Yulee, Florida

Dear Commissioners:

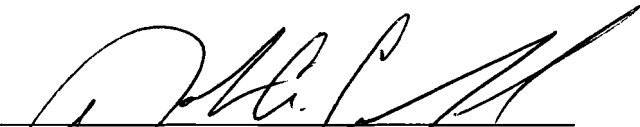
We have delivered on your behalf a wire transfer in the aggregate amount of ~~\$4,700,000~~^{\$ 000,000} being payment of the ~~\$4,700,000~~^{\$ 000,000} Capital Improvement Bond, Series 2005, received today from you by the undersigned. The undersigned hereby acknowledges delivery of said Bonds.

SUNTRUST BANK

By: _____
Senior Vice President

Please acknowledge receipt of the foregoing deposit by signing and returning the original or a counterpart of this letter.

NASSAU COUNTY, FLORIDA



Clerk of the Circuit Court and Ex-Officio
Clerk of the Board of County Commissioners
of Nassau County, Florida

TALLAHASSEE
Suite 200
1500 Mahan Drive
Tallahassee, Florida 32308
(850) 224-4070 Tel
(850) 224-4073 Fax

**Nabors
Giblin &
Nickerson** P.A.
ATTORNEYS AT LAW

TAMPA
The Pointe, Suite 1060
2502 Rocky Point Drive
Tampa, Florida 33607
(813) 281-2222 Tel
(813) 281-0129 Fax

November 30, 2005

Board of County Commissioners
of Nassau County, Florida
Yulee, Florida

Commissioners:

We have examined a record of proceedings relating to the issuance of a \$5,000,000 Capital Improvement Revenue Bond, Series 2005 (the "Bond") of Nassau County, Florida (the "Issuer").

The Bond is issued under and pursuant to the Laws of the State of Florida, including particularly Section 125.01, et seq., Florida Statutes, and pursuant to a resolution of the Board of County Commissioners of the Issuer adopted on November 28, 2005 (the "Resolution") and pursuant to the provisions of a Loan Agreement (the "Loan Agreement"), dated as of November 1, 2005, by and between the Issuer and SunTrust Bank (the "Bank").

The Bond is dated November 30, 2005 and will mature on the date and in the principal amount, and will bear interest at the rate per annum, as provided in the Loan Agreement. Interest on the Bonds shall be payable semiannually on each April 1 and October 1, commencing April 1, 2006. Principal on the Bond shall be payable annually. The Bond is in the form of one fully registered Bond in the denomination of \$5,000,000 or such smaller denomination resulting from a partial prepayment thereof.

The Bond is issued for the purpose of providing funds for the financing of a communications system.

We are of the opinion that:

1. The Issuer is a duly created and validly existing political subdivision of the State of Florida.
2. The Issuer has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution and enter into the Loan Agreement. The Resolution has been duly and lawfully adopted by the Issuer and the Loan Agreement has been duly and lawfully executed and delivered by the Issuer, and each is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Resolution or

the Loan Agreement is required. The Loan Agreement creates the valid pledge which it purports to create of the Pledged Funds (as defined in the Loan Agreement), enforceable against all third parties, subject to the provisions of the Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Loan Agreement.

3. The Issuer is duly authorized and entitled to issue the Bond, and the Bond has been duly and validly authorized and issued by the Issuer in accordance with the Constitution and Laws of the State of Florida, the Loan Agreement and the Resolution. The Bond constitutes a valid and binding obligation of the Issuer as provided in the Resolution and the Loan Agreement, and is enforceable in accordance with its terms and the terms of the Loan Agreement and the laws pursuant to which it is issued. The Bond does not constitute a general indebtedness of the Issuer or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but is payable solely from the Pledged Funds and from Non-Ad Valorem Revenues budgeted and appropriated pursuant to the Loan Agreement in the manner provided in the Loan Agreement. No holder of the Bond shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer or the State of Florida or any agency, department or political subdivision thereof to pay the Bond.

4. The Bond and interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Bond (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Based upon the designation set forth in the Loan Agreement, the Bond is a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bond to be so included in gross income retroactive to the date of issuance of the Bond. The Issuer has covenanted in the Loan Agreement to comply with all such requirements. Ownership of the Bond may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences arising with respect to the Bond.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution, the Loan Agreement and the Bond, respectively, may be limited by

November 30, 2005

any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

We have examined the form of the Bond and, in our opinion, the form of the Bond is regular and proper.

Very truly yours,

Salmon Lilli + Johnson, A.

TALLAHASSEE

Suite 200
1500 Mahan Drive
Tallahassee, Florida 32308
(850) 224-4070 Tel
(850) 224-4073 Fax

Nabors
Giblin &
Nickerson P.A.
ATTORNEYS AT LAW

TAMPA

The Pointe, Suite 1060
2502 Rocky Point Drive
Tampa, Florida 33607
(813) 281-2222 Tel
(813) 281-0129 Fax

November 30, 2005

SunTrust Bank
Jacksonville, Florida

Gentlemen:

Of even date herewith we have delivered our approving opinion with respect to Nassau County, Florida's Capital Improvement Revenue Bond, Series 2005 (the "Bond"). You may rely upon such opinion as if it were addressed to you.

We are also of the opinion that (i) the Bond is exempt from registration under the Securities Act of 1933, as amended, and (ii) the Loan Agreement, dated as of November 1, 2005, between Nassau County, Florida and SunTrust Bank, need not be qualified pursuant to the Trust Indenture Act of 1939, as amended.

Respectfully submitted,

Nabors, Giblin & Nickerson, P.A.



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

Jim B. Higginbotham
Ansley Acree
Tom Branan
Floyd L. Vanzant
Marianne Marshall

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

JOHN A. CRAWFORD
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

MIKE MAHANEY
County Administrator

November 30, 2005

Board of County Commissioners
of Nassau County, Florida
Yulee, Florida

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

SunTrust Bank
Jacksonville, Florida

Gentlemen:

I have acted as County Attorney for Nassau County, Florida (the "County") in connection with the issuance of the County's \$5,000,000 Capital Improvement Revenue Bond, Series 2005, dated as of November 30, 2005 (the "Bond"). In such capacity, I have examined:

- (a) Certified copies of Resolution No. 2005-173 of the Board of County Commissioners of the County, adopted November 28, 2005 (the "Resolution");
- (b) That certain Loan Agreement (the "Loan Agreement"), dated as of November 1, 2005, by and between the County and SunTrust Bank; and
- (c) Such other records, documents, certificates, proceedings and laws, as I have deemed necessary to enable me to render this opinion.

Based upon the foregoing, I am of the opinion that:

1. The County is a political subdivision of the State of Florida duly organized and existing under and by virtue of the Constitution and laws of the State of Florida and is authorized to issue the Bond to fund the project referenced in the Resolution and the Loan Agreement and to pledge and assign the Pledged Funds (as defined in the Loan Agreement) as security for the payment of the principal of and interest on the Bond and to covenant to budget and appropriate Non-Ad Valorem Revenues to pay the Bonds as provided in the Loan Agreement.



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

Jim B. Higginbotham
Ansley Acree
Tom Branan
Floyd L. Vanzant
Marianne Marshall

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

JOHN A. CRAWFORD
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

MIKE MAHANEY
County Administrator

2. The County has full power and authority under the Constitution and laws of the State of Florida, including particularly the Act (as defined in the Loan Agreement), to participate in the financing and to perform its obligations as provided in the Bond, the Resolution and the Loan Agreement.

3. The County has and had, as the case may be, full legal right, power and authority (1) to adopt the Resolution, to enter into the Loan Agreement and to execute and deliver the Bond, (2) to issue, sell and deliver the Bond to the purchaser thereof as provided in the Resolution and the Loan Agreement, and (3) to perform all of its other obligations contemplated by the Bond, the Resolution and the Loan Agreement, and the County has complied with all provisions of applicable law in all matters relating to the performance of such obligations, except with respect to Blue Sky laws, as to which no opinion is expressed.

4. The County has duly authorized or ratified (1) the adoption of the Resolution and the execution and delivery of the Loan Agreement, and the execution, delivery and performance of the Bond (including the pledge and assignment by the County pursuant to the Resolution and the Loan Agreement of its rights and interests to the Pledged Funds and the amounts to be received pursuant thereto and the covenant to budget and appropriate Non-Ad Valorem Revenues as provided therein) and the Bond, and (2) the taking of any and all such action as may be required on the part of the County to carry out, give effect to and consummate its obligations as contemplated by the Resolution, the Loan Agreement and the Bond.

5. The Resolution, the Loan Agreement and the Bond constitutes the legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, general principles of equity or other laws affecting creditors' rights generally.

6. The Bond has been duly authorized, executed, issued and delivered and constitutes the legal, valid and binding obligation of the County enforceable in accordance with its terms and the terms of the Resolution and the Loan Agreement, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, general principles of equity or other laws affecting creditors' rights generally.

7. All approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Bond or the execution and delivery of or the performance by the County of its obligations under the Bond, the Resolution or the Loan Agreement have been obtained or made and any consents, approvals and orders so received or filings so made are in full force and effect; provided, however, that no representation is made concerning any consent, approval, authorization, order or compliance with any governmental agency or body other



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

Jim B. Higginbotham Dist. No. 1 Fernandina Beach
Ansley Acree Dist. No. 2 Fernandina Beach
Tom Branan Dist. No. 3 Yulee
Floyd L. Vanzant Dist. No. 4 Hilliard
Marianne Marshall Dist. No. 5 Callahan

JOHN A. CRAWFORD
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

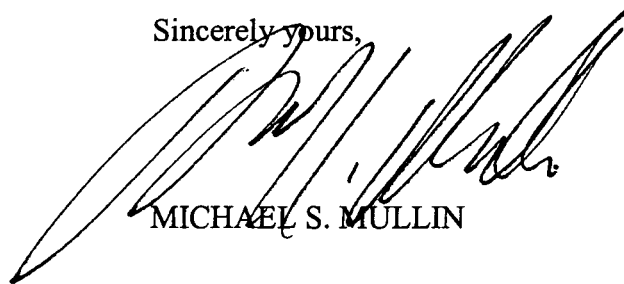
MIKE MAHANEY
County Administrator

than those agencies or bodies created under the laws of the State of Florida nor regarding any filings under the Blue Sky laws of any jurisdiction.

8. The adoption and performance by the County of the Resolution and the authorization, execution, delivery and performance of the Loan Agreement and the Bond and any other agreement or instrument to which the County is a party, used or contemplated for use in consummation of the transactions contemplated by the Resolution, the Loan Agreement or the Bond, and compliance with the provisions of each such instrument, do not and will not conflict with, or constitute or result in a violation or breach of or default under, the Constitution of the State of Florida, or any existing law, administrative regulation, rule, decree or order of the State of Florida, or any material provision of any agreement, indenture, mortgage, lease, note or other agreement or instrument to which the County as such is subject or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the revenues, property or assets of the County under the terms of the Constitution of the State of Florida, or any law of the State of Florida, or any instrument or agreement to which the County is a party or by which it is bound.

9. No litigation or other proceedings are pending or threatened in any court or other tribunal, state or federal, (1) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bond, or (2) questioning the validity of any provision of the Bond, the Loan Agreement or the Resolution or (3) questioning the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Bond, or of any provision, program or transactions made or authorized for payment of the Bond, or (4) questioning the organization or existence of the County or the title of any of its officers to their respective offices.

Sincerely yours,



MICHAEL S. MULLIN

MSM/am