

**WATER AND SEWER SYSTEM REVENUE BOND ORDINANCE**

**NASSAU COUNTY, FLORIDA**

**Enacted September 8, 2003**

# NASSAU COUNTY, FLORIDA

## WATER AND SEWER SYSTEM REVENUE BOND ORDINANCE

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(This table of contents is not part of the ordinance and is only for convenience of reference.)

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**ORDINANCE NO. 2003-50**

**AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, ESTABLISHING THE TERMS AND CONDITIONS UNDER WHICH THE COUNTY MAY FINANCE AND REFINANCE THE ACQUISITION, EXTENSION AND IMPROVEMENTS TO ITS WATER AND WASTEWATER SYSTEM THROUGH THE ISSUANCE OF ITS WATER AND SEWER SYSTEM REVENUE BONDS; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$21,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2003, OF THE COUNTY FOR THE PURPOSE OF REFINANCING THAT PORTION OF THE COUNTY'S REVENUE NOTE, SERIES 2000 WHICH FINANCED THE ACQUISITION OF SUCH SYSTEM; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH INCLUDING PROVISIONS FOR ISSUANCE OF ADDITIONAL BONDS; AND PROVIDING AN EFFECTIVE DATE.**

BE IT ENACTED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AS FOLLOWS:

**ARTICLE I**  
**AUTHORITY FOR THIS ORDINANCE**

This ordinance is enacted pursuant to the authority granted in the Act.

**ARTICLE II**  
**DEFINITIONS**

**SECTION 2.01. Definitions.** As used herein, unless the context otherwise requires:

**“Act”** means Chapter 125, Florida Statutes, as amended and other applicable provisions of law.

**“Additional Bonds”** means additional obligations issued hereunder in compliance with the terms, conditions and limitations contained herein which will have an equal lien on the Pledged Revenues, to the extent herein provided, and rank equally in all other respects with the 2003 Bonds.

**“Amortization Installment”** means the funds to be deposited in the Redemption Account in a given Bond Year for the payment at maturity or redemption of a portion of Term Bonds of a designated series, as established by resolution or ordinance of the County at or before the delivery of that series of Term Bonds.

**“Annual Bond Service Requirement”** means the amount required to be deposited during any Bond Year into the Interest Account, the Principal Account and the Redemption Account as provided in this ordinance; provided, however, that in computing such Annual Bond Service Requirement for any Variable Rate Bonds the interest rate on Variable Rate Bonds for the Bond Year in which such calculation is made, or for any subsequent Bond Year, as the case may be, shall be assumed to be 110 percent of the greater of (i) the daily average interest rate on such Variable Rate Bonds during the twelve months ended with the month preceding the date of calculation or such shorter period that such Bonds shall have been outstanding, or (ii) the rate of interest on such Variable Rate Bonds on the date of calculation. For purposes of determining the Maximum Bond Service Requirement for the issuance of Additional Bonds pursuant to Section 10.02 of this ordinance, the interest rate on Variable Rate Bonds proposed to be issued under the provisions of Section 10.02 shall be deemed to be the interest rate quoted as the Bond Buyer 20-Bond Index for the last publication day of the month preceding the date of calculation as published in *The Bond Buyer*, or if that index is no longer published, the interest rate for the last week of such month as published in an index that the Qualified Independent Consultant deems substantially equivalent. If Bonds are payable at the option of the holder, the “put” date or dates shall be ignored and the stated maturity dates thereof shall be used for the purposes of this calculation. It is provided further, however, that if the County has entered into an Interest Rate Agreement with respect to all or a portion of the Bonds issued hereunder, the interest coming due on such Bonds for purposes of this definition shall be the net aggregate amount for each applicable period, taking into account (i) the actual interest borne by such Bonds for such period (using the assumptions described above for Variable Rate Bonds, if applicable), (ii) the County receipts from the Interest Rate Agreement Provider under the Interest Rate Agreement for such period and (iii) the payments made by the County to the Interest Rate Agreement Provider for such period, with the payments described in clauses (ii) and (iii) above being calculated on the applicable notional amount of the Interest Rate Agreement.

**“Annual Budget”** means the annual operating budget of the System, as amended and supplemented from time to time, prepared by the County for each Fiscal Year in accordance with Section 9.02 hereof and in accordance with the laws of the State of Florida.

**“Authenticating Agent”** means the Registrar or any other agent designated from time to time by the County by resolution or ordinance to fulfill the duties as authenticating agent for the Bonds.

**“Authorized Depository”** means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the County as a depository, which is authorized under Florida law to be a depository of municipal funds and which has qualified with all applicable state and federal requirements concerning the receipt of County funds.

**“Board”** means the Board of County Commissioners of the County.

**“Bond Counsel”** means counsel experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions.

**“Bondholders”** means the registered owners of the Bonds.

**“Bond Insurer”** means MBIA Insurance Corporation and any other insurance company or companies designated by subsequent proceedings of the County that shall insure the payment, when due, of the principal of and interest on any Bonds.

**“Bond Obligation”** means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount of all Compound Interest Bonds then Outstanding.

**“Bonds”** means the 2003 Bonds and any Additional Bonds authorized to be issued pursuant to Article X below.

**“Bond Year”** means the annual period from September 2 to the next ensuing September 1, except that the first Bond Year shall be from the date of issuance of the 2003 Bonds to September 1, 2004.

**“Chief Financial Officer”** means the Clerk of the Circuit Court of the County.

**“Clerk”** means the Clerk of the Board.

**“Code”** means the Internal Revenue Code of 1986, as amended, and all implementing regulations promulgated thereunder.

**“Compounded Amounts”** means the principal amounts of the Compound Interest Bonds plus accreted interest thereon to the date of calculation, determined by reference to the accreted value tables contained or referred to in each such Bond.

**“Compound Interest Bonds”** means Bonds that bear interest which is payable only at maturity or upon earlier redemption in amounts determined by reference to the accreted value tables contained in or referred to in each such Bond.

**“Construction Fund”** means the Construction Fund established pursuant to Section 7.01 hereof.

**“Cost of Operation and Maintenance”** means the current expenses, paid or accrued, of operation, maintenance and repair of the System and its facilities, as calculated in accordance with generally accepted accounting principles, consistently applied, and shall include, without limiting the generality of the foregoing, administrative expenses relating to the System (including amounts paid to the Chief Financial Officer for financial services rendered and amounts paid to the County Attorney for legal services rendered), and insurance premiums and charges for the accumulation of appropriate reserves for self-insurance, not annually recurring but which are reasonably expected to be incurred on a periodic basis in accordance with generally accepted accounting principles, consistently applied. The Cost of Operation and Maintenance shall not include (i) any reserve for renewals and replacements (except to the extent contemplated under the Federal Clean Water Act, 33 U.S.C. 1251, *et seq.*, as amended, and the regulations promulgated thereunder, with respect to certain equipment replacement), extraordinary repairs or any allowance for depreciation or amortization or (ii) the payment of any principal of or interest on the Bonds or any other notes, bonds and similar obligations of the County.

**“Cost of the Projects”** means those costs of Projects described from time to time by ordinance or resolution of the County authorizing a Project or Projects.

**“County”** means Nassau County, Florida.

**“Current Interest Bonds”** means Bonds that bear interest which is payable monthly, quarterly, semiannually or for such other period not in excess of monthly as set forth in the ordinance or resolution authorizing such Bonds.

**“Debt Service Reserve Fund”** means the Debt Service Reserve Fund established pursuant to Section 7.01 hereof.

**“Debt Service Reserve Fund Requirement”** shall mean an amount required to be on deposit in the Debt Service Reserve Fund created and established under this ordinance, which amount shall equal the lesser of: (i) 125 percent of the average annual amount of debt service on all series of Bonds Outstanding for the then current Bond Year or any future Bond Year, (ii) 10 percent of the respective proceeds (as such term is defined under the Code for such purpose) of each series of Bonds, or (iii) the maximum annual aggregate debt service on all series of Bonds outstanding for the then current Bond Year or any future Bond Year. All or a portion of such Debt Service Reserve Fund Requirement may be satisfied by depositing a credit facility as contemplated in Section 7.03(c) hereof.

**“Enterprise Fund”** means the Water and Sewer Enterprise Fund established pursuant to Section 7.01 hereof.

**“Expansion Projects”** means the Projects or portions thereof for the oversizing, separating, extending or constructing of new additions to the System, all of which are designed to expand its capacity.

**“Expansion Project Percentage”** means the sum of the Water Expansion Project Percentage and the Sewer Expansion Project Percentage.

**“Federal Securities”** means direct obligations of the United States of America or obligations the payment when due of the principal of and interest on which is unconditionally guaranteed by the United States of America.

**“Fiscal Year”** means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the County pursuant to general law.

**“Fitch Ratings”** means Fitch, Inc. d/b/a Fitch Ratings, a Delaware corporation, and its successors and assigns.

**“General Revenue Account”** means the General Revenue Account created and established pursuant to Section 7.01 hereof.

**“Gross Revenues”** means all income or earnings (excluding Impact Fees and deposit accounts which are held in escrow to secure timely payment by users of the System) derived by

the County from the ownership, operation, leasing or use of the System, or any part thereof, including the Gross Revenue Component of contract payments received pursuant to Section 9.06(b)(3) hereof, any income from the investment of funds to be deposited in the General Revenue Account or the Sinking Fund as herein provided and moneys allocated from the Rate Stabilization Fund to the General Revenue Account, but shall not include proceeds from the sale of any Bonds or other obligations of the County.

**“Impact Fee Account”** means the Impact Fee Account established pursuant to Section 7.01 hereof.

**“Impact Fees”** means all nonrefundable (except at the option of the County) capital expansion fees, system improvement fees or other similar fees and charges separately imposed by the County as a nonuser capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the System (including any Future Capacity Components of contract payments received pursuant to Section 9.06(b)(3) hereof), and any income from the investment of funds deposited into the Impact Fee Account pursuant to this ordinance. With respect to each series of Bonds, the term “Impact Fees” in each Bond Year shall not include any amounts in excess of the Annual Bond Service Requirement multiplied by the Expansion Project Percentage.

**“Interest Account”** means the Interest Account established pursuant to Section 7.01 hereof.

**“Interest Rate Agreement”** shall mean an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both and any other interest rate hedging agreement, including options to enter into or cancel such agreements, as well as the reversal or extension thereof, which is entered into by and between the County and an Interest Rate Agreement Provider.

**“Interest Rate Agreement Provider”** shall mean any corporation, partnership, association, joint venture, trust or other entity or organization who enters into an Interest Rate Agreement with the County whose senior long term debt obligations or claims paying ability, or whose payment obligations under an Interest Rate Agreement are guaranteed by an entity whose senior long term debt obligations or who has provided collateral such that its claims paying ability is rated (at the time the Interest Rate Agreement is entered into) at least as high as Aa3 by Moody’s, AA- by S&P or AA- by Fitch.

**“Investment Obligations”** means, to the extent permitted by law:

- (i) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (ii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed



by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)  
Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FmHA)  
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration  
Participation certificates
6. Government National Mortgage Association (GNMA or "Ginnie Mae")  
GNMA - guaranteed mortgage-backed bonds  
GNMA - guaranteed pass-through obligations
7. U.S. Maritime Administration  
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Authority Bonds  
New Communities Debentures - U.S. government guaranteed debentures  
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(iii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System  
Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")  
Participation Certificates  
Senior debt obligations
3. Federal National Mortgage Association (FNMA or "Fannie Mae")  
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or "Sallie Mae")  
Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations
6. Farm Credit System

### Consolidated systemwide bonds and notes

- (iv) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.
- (v) Certificates of deposit secured at all times by collateral described in (i) and/or (ii) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.
- (vi) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
- (vii) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the Bond Insurer.
- (viii) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.
- (ix) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.
- (x) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.
- (xi) Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to the Bond Insurer.

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm
  - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or
  - b. Banks rated "A" or above by S&P and Moody's.
2. The written repo contract must include the following:

- a. Securities which are acceptable for transfer are:
    - (1) Direct U.S. governments, or
    - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
  - b. The term of the repo may be up to 30 days
  - c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
  - d. Valuation of Collateral
    - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
      - (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.
3. Legal opinion which must be delivered to the municipal entity:
- a. Repo meets guidelines under state law for legal investment of public funds.
  - (xii) units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to State law as legal depository of public moneys; and
  - (xiii) other forms of investments permitted under Florida law approved in writing by the Bond Insurer.

The value of the above investments shall be determined as follows:

a) For the purpose of determining the amount in any fund, all Investment Obligations credited to such fund shall be valued at fair market value. The County shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Citigroup, Bear Stearns, or Lehman Brothers.

b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon.

c) As to any investment not specified above: the value thereof established by prior agreement among the County and the Bond Insurer.

**"Maximum Bond Service Requirement"** means, as of any particular date of calculation, the largest Annual Bond Service Requirement for the then current or any subsequent Bond Year, except that with respect to any Bonds for which Amortization Installments or Sinking Fund deposits have been established, the amount of principal and interest coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount or Compounded Amounts, as the case may be, of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years.

**"Maximum Interest Rate"** shall mean, with respect to any particular series of Variable Rate Bonds, a numerical rate of interest that shall be the maximum rate of interest such Variable Rate Bonds may at any particular time bear, not to exceed the maximum rate of interest allowed under Florida law, as determined under the proceedings of the County with respect to such Variable Rate Bonds.

**"Moody's"** means Moody's Investors Service, Inc., a Delaware corporation, and its successors and assigns.

**"Municipal Bond Insurance Policy"** shall mean the financial guaranty insurance policies issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds of a series or maturity thereof as provided therein.

**"Net Revenues"** means, with respect to any period, the Gross Revenues during such period, determined on an accrual basis, minus the Cost of Operation and Maintenance during such period, determined on an accrual basis, to the extent paid or to be paid from Gross Revenues. Moneys deposited into the Rate Stabilization Fund (as provided in Section 7.03(1)(g) hereof) shall be excluded from Gross Revenues for the purposes of calculating Net Revenues hereunder for the Fiscal Year in which such transfer into the Rate Stabilization Fund occurs. Moneys on deposit in the Rate Stabilization Fund may be withdrawn at any time and redeposited into the General Revenue Account, and such money shall be included in Gross Revenues for the purpose of calculating Net Revenues for the Fiscal Year in which such redeposit into the General Revenue Account occurs.

**“Operating Reserve Fund”** means the Operating Reserve Fund established pursuant to Section 7.01 hereof.

**“Operation and Maintenance Account”** means the Operation and Maintenance Account established pursuant to Section 7.01 hereof.

**“Outstanding”** or **“Bonds Outstanding”** means all Bonds which have been issued pursuant to this ordinance except:

(a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds or Federal Securities or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agents (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Federal Securities, will be sufficient to pay the principal of and interest on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this ordinance or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the Paying Agents;

(c) Bonds which are deemed paid pursuant to Section 5.08 hereof or in lieu of which other Bonds have been issued under Section 5.04 hereof; and

(d) Bonds described in the first paragraph of Section 12.02.

**“Paying Agent”** means any Authorized Depositary designated from time to time by the County, by ordinance or resolution, to serve as a paying agent or place of payment for the Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the Bondholders thereof, from funds made available therefor by the County, and any successors designated pursuant to this ordinance.

**“Pledged Revenues”** means the Net Revenues, the Impact Fees and proceeds from insurance, condemnation or the disposition of property comprising the System (to the extent and for the purposes herein provided).

**“Principal Account”** means the Principal Account established pursuant to Section 7.01 hereof.

**“Prior Note”** means that portion (to be established by certificate of the County at the time of issuance of the 2003 Bonds) of the County’s Revenue Note, Series 2000 dated March 31, 2003 which financed the acquisition of the System.

**“Projects”** means the construction or acquisition of additions, extensions and improvements to various components of the System, all as described from time to time by ordinance or resolution of the County, the cost of which is to be financed by proceeds from Additional Bonds.

**“Qualified Independent Consultant”** means one or more qualified and recognized independent consultants, having favorable reputation, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or one or more sections hereof, as shall from time to time be retained by the County for the purposes hereof.

**“Rate Stabilization Fund”** means the Rate Stabilization Fund established pursuant to Section 7.01 hereof.

**“Registrar”** means the County or any agent designated from time to time by the County, by ordinance or resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

**“Redemption Account”** means the Redemption Account established pursuant to Section 7.01 hereof.

**“Renewal and Replacement Fund”** means the Renewal and Replacement Fund established pursuant to Section 7.01 hereof.

**“S&P”** means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a New York corporation, and its successors and assigns.

**“Serial Bonds”** means all Bonds of a series other than Term Bonds.

**“Sewer Expansion Project Percentage”** means, with respect to each series of Bonds, the fraction, the numerator of which is the total principal amount of such series of Bonds originally issued hereunder (without taking into account any repayments of principal) (the “Original Issue Amount”) that had been allocated to Expansion Projects relating to the sewer portion of the System (“Sewer Expansion Projects”) in writing by the Qualified Independent Consultant at the time of issuance of such Bonds, and the denominator of which is the Original Issue Amount for such series of Bonds. In determining the amount properly allocable to Sewer Expansion Projects, the Qualified Independent Consultant shall consider the cost of all Projects relating to the sewer portion of the System theretofore financed or refinanced with Bond proceeds, or for which proceeds have been deposited in the Construction Fund therefor under the terms of this Ordinance, and allocation thereof between Sewer Expansion Projects, Water Expansion Projects and Projects which are not Expansion Projects, the sources of non-County funds (such as federal and state grants) used to finance the Sewer Expansion Projects and any other factors determined by the Qualified Independent Consultant to be relevant to making the allocations contemplated hereunder. If Impact Fees are used to redeem Bonds in advance of their scheduled maturity or in excess of the Amortization Installment due on the Bonds in such Bond Year, the numerator of the fraction described above shall thereafter be reduced by the principal amount of the Bonds so redeemed, allocated to sewer projects on the ratio the Sewer Expansion Project Percentage bears to the sum of the Water Expansion Project Percentage and the Sewer Expansion Project Percentage.

**“Sinking Fund”** means the Sinking Fund established pursuant to Section 7.01 hereof.

**“Subordinated Obligations”** shall mean any subordinated obligations issued by the County in accordance with the provisions of Section 10.01 hereof.

**“Swap Obligations Account”** means the Swap Obligations Account created and established pursuant to Section 7.01 of this ordinance.

**“System”** means the complete combined and consolidated water and wastewater collection, treatment and distribution system and all parts and components thereof or interests therein, owned, operated or used by the County, and all such parts and components hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired from any source, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the County in connection therewith. The System is sometimes referred to by the County as “Nassau-Amelia Utility.”

**“Term Bonds”** means Bonds of a series for which Amortization Installments are established, and such other Bonds of a series so designated by supplemental ordinance or resolution of the County adopted on or before the date of delivery of such Bonds.

**“2003 Bonds”** means the Nassau County, Florida Water and Sewer System Revenue Bonds, Series 2003 authorized to be issued under this ordinance.

**“Variable Rate Bonds”** means Bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage at the date of issue for the entire term thereof.

**“Water Expansion Project Percentage”** means, with respect to each series of Bonds, the fraction, the numerator of which is the Original Issue Amount that had been allocated to Expansion Projects relating to the water portion of the System (“Water Expansion Projects”) in writing by the Qualified Independent Consultant at the time of issuance of such Bonds, and the denominator of which is the Original Issue Amount for such series of Bonds. In determining the amount properly allocable to Water Expansion Projects, the Qualified Independent Consultant shall consider the cost of all Projects relating to the water portion of the System theretofore financed or refinanced with Bond Proceeds, or for which proceeds have been deposited in the Construction Fund therefor under the terms of this Ordinance, and allocation thereof between Water Expansion Projects, Sewer Expansion Projects and Projects which are not Expansion Projects, the sources of non-County funds (such as federal and state grants) used to finance the Water Expansion Projects and any other factors determined by the Qualified Independent Consultant to be relevant to making the allocations contemplated hereunder. If Impact Fees are used to redeem Bonds in advance of their scheduled maturity or in excess of the Amortization Installment due on the Bonds in such Bond Year, the numerator of the fraction described above shall thereafter be reduced by the principal amount of the Bonds so redeemed, allocated to water projects on the ratio the Water Expansion Project Percentage bears to the sum of the Water Expansion Project Percentage and the Sewer Expansion Project Percentage. The fraction

described above, as adjusted from time to time, is referred to herein as the "Water Expansion Project Percentage."

**SECTION 2.02. Singular/Plural.** Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies.

### **ARTICLE III FINDINGS**

It is hereby ascertained, determined and declared that:

A. The County now owns, operates and maintains the System and derives Gross Revenues therefrom. It has also imposed or will impose and is receiving or will be receiving Impact Fees with respect to the future capacity requirements of the System.

B. It is necessary and desirable for the protection of the health, safety and welfare of the inhabitants of the County to provide for the refunding of the Prior Note in order to give the County an opportunity to secure the financing of the System with the Gross Revenues.

C. The County is authorized under the Act to enact this ordinance, to issue the 2003 Bonds and to deposit a portion of the proceeds thereof with the owner of the Prior Note in order to redeem such debt.

D. The County is authorized under the Act to issue Bonds and use the proceeds thereof to pay the cost of Projects.

E. The principal of, interest on and premiums, if any, with respect to the Bonds and all required sinking fund, reserve and other payments with respect thereto shall be payable solely from moneys deposited in the General Revenue Account, the Sinking Fund, including the accounts and subaccounts therein, and to the extent herein provided, from moneys deposited in the Operating Reserve Fund, the Renewal and Replacement Fund and the Impact Fee Account pursuant to this ordinance, which the County has full authority to irrevocably pledge.

F. The County shall never be required to levy ad valorem taxes on any property to pay the principal of, interest on or any premium with respect to the Bonds or to make any of the required sinking fund, reserve or other payments required herein, and the Bonds shall not constitute a lien on any property owned by or situated within the limits of the County.

G. The estimated Pledged Revenues to be derived in each year hereafter, to the extent available as herein described, will be sufficient to pay all of the principal of and interest on the Bonds to be issued hereunder, as the same become due and to make all sinking fund, reserve and other payments in connection therewith as required by this ordinance.



**ARTICLE IV**  
**THIS INSTRUMENT TO CONSTITUTE CONTRACT**

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this ordinance shall be deemed to be and shall constitute a contract between the County and the Bondholders. The covenants and agreements herein set forth to be performed by the County shall be for the equal benefit, protection and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

**ARTICLE V**  
**AUTHORIZATION OF REFUNDING;**  
**AUTHORIZATION, DESCRIPTION, FORM AND TERMS OF BONDS**

**SECTION 5.01. Authority for Refunding and the Issuance of Bonds.** The refunding of the Prior Note is hereby authorized. Subject and pursuant to the provisions hereof, Bonds to be known as "Nassau County, Florida Water and Sewer System Revenue Bonds, Series 2003" are hereby authorized to be issued in an aggregate principal amount not to exceed \$21,000,000 for the purpose of accomplishing the current refunding of the Prior Note. **No proceeds of the 2003 Bonds shall be used to expand the area presently served by the System.**

To the extent required to retire the Prior Note, the County further hereby authorizes the payment to the owner of the Prior Note of the principal of and interest due thereon.

**SECTION 5.02. Description of Obligations.** The County shall by supplemental ordinance or resolution specify or provide for the specification of the following: the authorized principal amount of 2003 Bonds; the date and terms of maturity or maturities of the 2003 Bonds, the interest rate or rates of the 2003 Bonds, which may include variable, adjustable, convertible or other rates, original issue discounts or original issue premiums, Compound Interest Bonds and zero interest rate bonds, provided that the average net interest cost rate on such Bonds shall never exceed the maximum interest rate permitted by law in effect at the time such Bonds are issued, the denominations, numbering and lettering of such Bonds; provided that the Bonds shall be in the denominations of \$5,000 or any integral multiple thereof or, in the case of Compound Interest Bonds, any other denomination designated by the County prior to the issuance of such Bonds; the Paying Agents and place or places of payment of such Bonds; the redemption prices for such Bonds and any terms of redemption not inconsistent with the provisions of this ordinance, which may include mandatory redemptions at the election of the holder or Bondholder thereof, the amount and date of each Amortization Installment, if any, for such Term Bonds, of a Bond Year; the use of proceeds of such Bonds not inconsistent with this ordinance; and any other terms or provisions applicable to the Bonds, not inconsistent with the provisions of this ordinance or the Act. All of the foregoing may be added by supplemental resolution or resolutions (or supplemental ordinance or ordinances) adopted at any time and from time to time prior to the issuance of such Bonds. Unless otherwise so provided, each Bond shall bear interest from the later of the date of original issue shown thereon or the most recent interest payment date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for.

Unless bearer bonds, the interest on which is excludible from gross income for federal income tax purposes, may again be issued under the Code, all Bonds hereunder shall be in registered form, shall contain substantially the same terms and conditions as set forth in Section 5.09 hereof, shall be payable in lawful money of the United States of America and shall bear interest from their date, or from such other date as the County may determine, which in the case of Current Interest Bonds shall be paid by check or draft of the Paying Agent mailed (or in the case of any Bondholder owning \$1,000,000 or more in aggregate principal amount of the Bonds, payment shall be made by wire transfer) to the Bondholder thereof. Principal of and any interest on Compound Interest Bonds shall be payable by check or draft at maturity or earlier redemption thereof upon presentation and surrender of such Compound Interest Bonds to the Registrar. To the extent the County under then applicable law may issue any series of Bonds in bearer form, the interest on which, in the opinion of Bond Counsel, is excludible from gross income for federal income tax purposes, the County may amend this ordinance, including the form of the Bonds, to authorize and provide for the issuance and payment of such bearer Bonds. In addition, notwithstanding the foregoing, if and to the extent permitted by applicable law, the County shall establish a system of registration and may issue thereunder certificated registered public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations, combinations thereof, or such other obligations as may then be permitted by law. The County shall appoint such registrars, transfer agents, depositaries, or other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Bonds within a commercially reasonable time according to the then current industry standards and to cause the timely payment of interest, principal and premiums payable with respect to the Bonds.

The County or the Paying Agent may make appropriate arrangements for some or all of the Bonds to be issued or held by means of a book-entry system administered by a securities depository with no physical distribution of such Bonds made to the cash maturity of purchasers thereof. If Bonds are held under the book-entry system, one Bond in the principal amount of each maturity of the Bonds Outstanding (less the principal amount of any issued Bonds not held by means of a book-entry system), registered in the name of the securities depository (or its nominee), will be issued to the securities depository and immobilized in its custody.

All of the Bonds shall be initially issued by means of a book-entry system administered by a securities depository. The Authenticating Agent shall authenticate one Bond per maturity, registered in the name of the securities depository nominee, and issue such Bonds to the securities depository to be immobilized in its custody; provided that if The Depository Trust Company, New York, New York ("DTC") is acting as securities depository hereunder, such Bond shall be issued to Cede & Co. to be immobilized in its custody pursuant to the rules and procedures of DTC. Thereafter, in the event that Bonds are issued to the beneficial owners of the Bonds thereof in physical form, the Authenticating Agent will authenticate and deliver to the beneficial owners of the Bonds (or the Paying Agent, as applicable) a new Bond or Bonds in the principal amount equal to the aggregate principal amount of Bonds then Outstanding (less the principal amount of the Bonds not held by means of a book-entry system), registered in the name of the beneficial owners of the Bonds, in exchange for the Bond or Bonds then held by the securities depository and the securities depository shall surrender such Bond or Bonds then held by it to the Registrar for cancellation and destruction.

If any Bonds are held by means of a book-entry system, such book-entry system will evidence beneficial ownership of the Bonds so held (or, as applicable, positions held by a securities depository's participants, beneficial ownership being evidenced in the records of such participants) in authorized denominations designated by the County prior to the issuance of such Bonds. Registration and transfers of ownership shall be effected on the records of the securities depository (and, as applicable, its participants) pursuant to rules and procedures established by the securities depository, and the Registrar will provide the securities depository with all information required for such purposes. The County and the Paying Agent will recognize the securities depository nominee, while the Bondholder, as the owner of the Bonds for all purposes, including (1) payments of principal of, and interest on, the Bonds, (2) notices and (3) voting. Transfer of principal and interest payments to beneficial owners of the Bonds so held will be the responsibility of the securities depository (or, as applicable, its participants and other nominees of such beneficial owners). The County and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the securities depository, the securities depository nominee, the securities depository's participants (if any) or persons acting through such participants. While a securities depository nominee is the owner of the Bonds so held, notwithstanding the provisions hereinabove contained, payments of principal of and interest on such Bonds shall be made in accordance with the terms of the Blanket Letter of Representations between the County and the securities depository entered into at or before the time of issuance of the 2003 Bonds or any letter of representations among the County and a successor securities depository appointed pursuant to this Section.

So long as a book-entry system of evidence of ownership is maintained in accordance herewith for any Bonds, (1) the provisions of this ordinance relating to the delivery of physical Bonds shall be deemed inapplicable or be otherwise so construed with regard to such Bonds as to give full effect to such book-entry system and (2) the provisions of this ordinance relating to issuance, payments of principal and interest with respect to the Bonds shall be applicable to beneficial ownership interests in the Bonds in authorized denominations designated by the County prior to the issuance of such Bonds to the same extent as such provisions are applicable to registered ownership interests in the Bonds.

**SECTION 5.03. Execution of Bonds.** The Bonds shall be executed in the name of the County by the Chairman or Vice Chairman of the Board and the seal of the County shall be imprinted, reproduced or lithographed on the Bonds and attested to and countersigned by the Clerk. The signatures of the Chairman or Vice Chairman of the Board and the Clerk on the Bonds may be by facsimile, but one such officer shall sign his/her manual signature on the Bonds unless the County appoints an authenticating agent, registrar, transfer agent or trustee who shall be authorized and directed to cause one of its duly authorized officers to manually execute the bonds. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

**SECTION 5.04. Bonds Mutilated Destroyed, Stolen or Lost.** If any Bond is mutilated, destroyed, stolen or lost, the County or its agent may, in its discretion (i) deliver a duplicate

replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Clerk or his duly authorized agent. The Bondholder must furnish the County or its agent proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the County or its agent may prescribe; and pay the County's or its agent's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the County whether or not the destroyed, stolen, or lost 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 of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, stolen or lost.

**SECTION 5.05. Provisions for Redemption.** The Bonds shall be subject to redemption prior to their maturity at the option of the County at such times and in such manner as shall be established by subsequent resolutions or ordinances of the County adopted on or before the time of delivery of the Bonds. Notice of redemption shall be given by the deposit in the U.S. mail of a copy of said redemption notice, postage prepaid, certified, return receipt requested, or registered, at least thirty and not more than sixty days before the redemption date to all Bondholders of the Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with provisions hereof. Failure to mail any such notice to a Bondholder of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred.

Each notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Such notice shall state any conditions to such redemption. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the requirements set forth in subparagraphs (i) and (ii) below: provided, however, that, notwithstanding any other provision of this ordinance to the contrary, failure of such notice or payment to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as otherwise prescribed above in this Section 5.05.

(i) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The

Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, Pacific Securities Depository Trust Company, San Francisco, California and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more Nationally Recognized Municipal Securities Information Repository that disseminates notices of redemption of obligations such as the Bonds.

(ii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

**SECTION 5.06. Effect of Notice of Redemption.** Notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, and upon satisfaction of any conditions described in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agents in trust for the Bondholders of the Bonds or portions thereof to be redeemed, all as provided in this ordinance, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this ordinance, and the Bondholders of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 5.07 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

**SECTION 5.07. Redemption of Portion of Registered Bonds.** In case part but not all of an Outstanding fully registered Bond shall be selected for redemption, the Bondholders thereof shall present and surrender such Bond to the County or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the County shall execute and deliver to or upon the order of such Bondholder, without charge therefor, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

**SECTION 5.08. Bonds Called for Redemption Not Deemed Outstanding.** Bonds or portions of Bonds that have been duly called for redemption under the provisions of this Article V, and with respect to which amounts sufficient to pay the principal of premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate accounts by an escrow agent, any Authorized Depository or any Paying Agent in trust for the Bondholders thereof, as provided in this ordinance, shall not be deemed to be Outstanding under the provisions of this ordinance and shall cease to be entitled to any lien, benefit or security under this ordinance, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the escrow agent, Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in Section 5.07 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

**SECTION 5.09. Form of Bonds.** The text of the Current Interest Bonds, the text of the Compound Interest Bonds and the form of assignment for such Bonds, provisions for variable interest rates, if any, the payment of the Bonds on the demand of the holder thereof, and the certificate of validation, if any, shall be in substantially the following form, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this ordinance or by any subsequent ordinance or resolution adopted prior to the issuance thereof including, without limitation, such changes as may be required for the issuance of uncertificated public obligations or coupon Bonds to the extent herein authorized and for the execution of the Bonds by an authenticating agent.

[FORM OF CURRENT INTEREST BONDS]

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
NASSAU COUNTY  
WATER AND SEWER SYSTEM REVENUE BOND, SERIES \_\_\_\_\_

Maturity Date: \_\_\_\_\_ 1, \_\_\_\_\_

Date of Original Issue: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ %

CUSIP: \_\_\_\_\_

Registered Holder: \_\_\_\_\_

Principal Amount \$ \_\_\_\_\_

[1] KNOW ALL MEN BY THESE PRESENTS, that Nassau County, Florida (hereinafter called the "County"), for value received, hereby promises to pay to the Registered Holder identified above, or his legal representatives or registered assigns hereinafter provided, on the maturity date identified above solely from the revenues hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from such special revenues and in like coin or currency, interest on the Principal Amount (computed on the basis of a 360-day year), from the later of the Date of Original Issue shown above or from the most recent interest payment date to which interest has been paid, at the rate per annum set forth above until payment of the principal sum, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of \_\_\_\_\_ and the first day of \_\_\_\_\_ of each year, commencing on \_\_\_\_\_. Principal of this Bond shall be payable upon presentation and surrender hereof at the principal office of \_\_\_\_\_, or its successors (the "Paying Agent"). Interest will be paid by check or draft mailed (or in the case of any Registered Holder owning \$1,000,000 or more in aggregate principal amount of the Bonds, payment shall be made by wire transfer) to the registered owner hereof at his address as it appears on the registration books of the County at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any

transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U.S. mail, postage prepaid, by the County to the registered owner of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the person in whose name the Bonds are registered at the close of business on the fifth (5th) day (whether or not a business day) preceding the date of mailing.

[2] This Bond and the interest hereon are payable solely from and secured by a lien upon and pledge of Net Revenues derived by the County from the operation of the water and wastewater collection, treatment and distribution system (the "System"), together with the Impact Fees, (as those terms are defined in Ordinance No. 2003-\_\_\_\_, finally enacted by the County on \_\_\_\_\_, 2003 (as amended or supplemented from time to time, the "Ordinance")), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Ordinance and as more particularly described below. Reference is hereby made to the Ordinance for the provisions, among others, relating to the terms of, lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds and the extent of and limitations on the County's rights, duties and obligations, and the provisions permitting the issuance of additional parity indebtedness, to all of which provisions the owner hereof assents by acceptance of this Bond.

[3] This Bond shall not be deemed to constitute a debt or a pledge of the faith and credit of the County, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on this Bond or for the payment of any other amounts provided for in the Ordinance.

[4] It is further agreed between the County and the registered owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, or any part thereof, or any other tangible personal property of or in the County, but shall be payable solely from and secured by the Net Revenues derived from the operation of the System, certain Impact Fees, described above, and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Ordinance. Neither the members of the Board of the County nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

[5] This Bond is one of an authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_, of like date, tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to provide for the current refunding of a portion of the County's Revenue Note, Series 2000 dated March 31, 2003, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly the Ordinance, Chapter 125, Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act"). This Bond is subject to all the terms and conditions of the Ordinance.

[6] In and by the Ordinance, the County has covenanted and agreed with the holders of the Bonds that it will fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues (as defined in the Ordinance) in each Bond Year which, together with the additional sources of funds referred to above, will be sufficient in accordance with the provisions of the Ordinance to meet various financial requirements therein described. The County has entered into certain further covenants with the holders of the Bonds of this issue for the terms of which reference is made to the Ordinance.

[7] The Bonds of this issue are subject to redemption prior to their maturity [Insert Term Bond amortization provisions]. The Bonds of this issue shall be further subject to redemption prior to their maturity at the option of the County [Insert optional redemption provisions, with appropriate accretion tables for original issue discount and Compound Interest Bonds].

[8] Notice of such redemption shall be given in the manner required by the Ordinance.

[9] The registration of this Bond may be transferred upon the registration books upon delivery to the principal office of the registrar designated by the County, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Ordinance enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the County has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same sources of funds. The County and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the County) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

[10] If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

[11] It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Bonds of this series does not violate any constitutional, statutory or charter limitation or provision.



[PROVISION FOR VARIABLE RATE BONDS]

The form of the Bonds may be modified as appropriate to provide for a variable interest rate calculated initially and from time to time by reference to an index or indices to be subsequently designated by the County by supplemental ordinance or resolution, provided that in no event shall the interest rate calculated in accordance with such formula exceed the maximum rate permitted by law.

[FORM OF PROVISION FOR DEMAND BONDS]

The form of the Bonds may be modified as appropriate by supplemental resolution or ordinance of the County prior to the sale thereof, to provide that the holder of any such Bond may demand from the County payment of principal of and interest on his Bond within \_\_\_\_\_ ( ) calendar days after delivering notice to \_\_\_\_\_ as agent for the County and providing a copy of the notice and tendering the Bond to \_\_\_\_\_.

[12] IN WITNESS WHEREOF, Nassau County, Florida, has issued this Bond and has caused the same to be signed by the Chairman or Vice Chairman of its Board of County Commissioners and attested to and countersigned by the Clerk of such Board, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NASSAU COUNTY, FLORIDA

(SEAL)

By: \_\_\_\_\_  
Chairman

ATTESTED AND COUNTERSIGNED

By: \_\_\_\_\_  
Clerk

Form Approved:

\_\_\_\_\_  
County Attorney

Certificate of Authentication

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Ordinance.

\_\_\_\_\_  
Authenticating Agent

By \_\_\_\_\_  
Authorized Officer

[FORM OF COMPOUND INTEREST BONDS]

REGISTERED

REGISTERED  
Appreciated Value  
at Maturity

No. \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
NASSAU COUNTY

\$ \_\_\_\_\_ in  
original principal

WATER AND SEWER SYSTEM REVENUE BOND, SERIES \_\_\_\_\_ amount per

\$ \_\_\_\_\_

Appreciated  
Value at  
Maturity

Approximate  
Interest Rate

Maturity Date

Original Dated Date

CUSIP

Registered Holder

Value at Maturity \$

[1] KNOW ALL MEN BY THESE PRESENTS, that Nassau County, Florida (hereinafter called the "County"), for value received, hereby promises to pay to the Registered Holder identified above, or his legal representatives or registered assigns hereinafter provided, on the Maturity Date identified above solely from the revenues hereinafter mentioned, the Value at Maturity identified above representing the principal amount hereof plus interest thereon at the Approximate Interest Rate per annum (computed on the basis of a 360-day year) specified above, compounded semiannually on [\_\_\_\_\_ 1 and \_\_\_\_\_ 1] of each year from the Original Dated Date shown above to the Maturity Date specified above. The Value at Maturity of this Bond specified above shall be payable upon presentation and surrender hereof on or after the Maturity Date at the principal office of \_\_\_\_\_, or its successors (the "Paying Agent").

[2] This Bond and the interest hereon are payable solely from and secured by a lien upon and pledge of Net Revenues derived by the County from the operation of the water and sewer collection, treatment and distribution system (the "System"), together with the Impact Fees, (as those terms are defined in Ordinance No. 2003-\_\_\_\_, finally enacted by the County on \_\_\_\_\_, 2003 (as amended or supplemented from time to time, the "Ordinance")), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the ordinance and as more particularly described below. Reference is hereby made to the ordinance for the provisions, among others, relating to the terms of, lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owner of the Bonds and the extent of and limitations on the County's rights, duties and obligations, and the provisions permitting the issuance of additional parity indebtedness, to all of which provisions the owner hereof assents by acceptance of this Bond.

[3] This Bond shall not be deemed to constitute a general obligation or indebtedness or a pledge of the faith and credit of the County, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on this Bond or for the payment of any other amounts provided for in the ordinance.

[4] It is further agreed between the County and the registered owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the System, or any part thereof, or any other tangible personal property of or in the County, but shall constitute a lien only on Net Revenues derived from the operation of the System, certain Impact Fees, described above, and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the ordinance. Neither the members of the Board of the County nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

[5] This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the ordinance until the certificate of authentication hereon shall have been manually signed by the Authenticating Agent.

[6] This Bond is one of an authorized issue of bonds in the initial aggregate discounted principal amount of \$\_\_\_\_\_, of like tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to provide for the current refunding of a portion of the County's Revenue Note, Series 2000 dated March 31, 2003, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly the Ordinance, Chapter 125, Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act"). This Bond is subject to all the terms and conditions of the Ordinance.

[7] In and by the Ordinance, the County has covenanted and agreed with the registered owner of the Bonds that it will fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Net Revenues (as defined in the Ordinance) in each Bond Year which, together with the additional sources of funds referred to above, will be sufficient in accordance with the provisions of the Ordinance to meet various financial requirements

therein described. The County has entered into certain further covenants with the registered owner of the Bonds of this issue for the terms of which reference is made to the Ordinance.

[8] The Compound Interest Bonds of this series maturing on \_\_\_\_\_ 1,\_\_\_\_, and thereafter are subject to redemption prior to their maturity at a redemption price equal to the Accreted Value (per \$\_\_\_\_\_ original principal amount) shown below on \_\_\_\_\_ in the years \_\_\_\_\_ through \_\_\_\_\_.

[Add additional language if Compound Interest Bonds are subject to optional redemption]

Table of Accreted Value  
(per \$5000 payment at maturity)

| Date | Accreted<br>Value | Date | Accreted<br>Value |
|------|-------------------|------|-------------------|
|------|-------------------|------|-------------------|

[9] The Accreted Value on any date other than \_\_\_\_\_ 1 and \_\_\_\_\_ 1 shall be the Accreted Value for the immediately preceding \_\_\_\_\_ 1 or \_\_\_\_\_ 1, plus interest thereon to the date of Redemption, at the Approximate Interest Rate set forth on the face hereof.

[10] Notice of such redemption shall be given in the manner required by the Ordinance.

[11] The registration of this Bond may be transferred upon the registration books upon delivery to the principal office of the Registrar designated by the County, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Ordinance enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the County has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same original principal amount and appreciated value at maturity and payable from the same sources of funds. Neither the County nor the Registrar shall be required to register the transfer of any Bond during the fifteen (15) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof has been selected for redemption. The County and the Bond Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the County) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

[12] If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday,

Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

[13] It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Bonds of this series does not violate any constitutional, statutory or charter limitation or provision.

[14] IN WITNESS WHEREOF, Nassau County, Florida, has issued this Bond and has caused the same to be signed by the Chairman or Vice Chairman of its Board of County Commissioners and attested to and countersigned by the Clerk of such Board, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the \_\_\_ day of \_\_\_\_\_.

(SEAL)

NASSAU COUNTY, FLORIDA

By \_\_\_\_\_  
Chairman

ATTESTED AND COUNTERSIGNED:

By \_\_\_\_\_  
Clerk

Form Approved:

\_\_\_\_\_  
County Attorney

Date of Authentication:

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Ordinance.

\_\_\_\_\_  
Authenticating Agent

By \_\_\_\_\_  
Authorized Officer

[End of Compound Interest Bond Form]

[OPTIONAL]  
VALIDATION CERTIFICATE

This is one of a series of bonds which were validated and confirmed by judgment of the circuit court of the Fourth Judicial Circuit, in and for Nassau County, Florida, rendered on \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Chairman, Board of County Commissioners,  
Nassau County, Florida

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, \_\_\_\_\_, (the "Transferor"), hereby sells, assigns and transfers unto \_\_\_\_\_ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFeree

\_\_\_\_\_

the within Bond and all rights thereunder, and irrevocably constitutes and appoints \_\_\_\_\_ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_  
Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

\_\_\_\_\_  
Registered Holder  
NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signatures to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

**SECTION 5.10. Application of Bond Proceeds.** The proceeds, including accrued interest and premium, if any, received from the sale of the 2003 Bonds shall be applied by the County, simultaneously with the delivery of the 2003 Bonds, as follows:

- (a) Accrued interest, if any, shall be deposited in the Interest Account, hereafter created.
- (b) An amount which, together with any legally available funds, including the transfer of moneys on deposit in the funds and accounts relating to the Prior Note, the County shall pay to the Owner of the Prior Note, in payment thereof.
- (c) An amount not in excess of capital costs incurred by the County related to the acquisition of the System to reimburse the County for such capital costs.
- (d) An amount equal to the cost of issuance of the 2003 Bonds shall be held by or on behalf of the County in a separate account and shall be used to pay when due the cost of issuance of the 2003 Bonds.
- (e) An amount, equal to the Debt Service Reserve Fund Requirement to be held in reserve for the Bonds shall be deposited in the Debt Service Reserve Fund, hereinafter created; provided, however, in lieu of, or in substitution for moneys already on deposit in the Debt Service Reserve Fund, the County may deposit a credit facility as contemplated in Section 7.03(c) hereof.
- (f) An amount equal to \$250,000 shall be deposited in the Renewal and Replacement Fund, hereinafter created.

**ARTICLE VI**  
**SOURCE OF PAYMENT OF BONDS;**  
**REVENUE BONDS OF THE COUNTY**

**SECTION 6.01. Bonds Not to be Indebtedness of the County.** The Bonds shall not be or constitute general obligations or indebtedness of the County within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues and the moneys in the funds and accounts created and established pursuant to Section 7.01 hereof in the manner and to the extent herein provided. No Bondholder shall ever have the right to compel the exercise of the ad valorem taxing power of the County or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of the County other than the Pledged Revenues and the moneys in such funds and accounts, all in the manner and to the extent herein provided.

**SECTION 6.02. Pledge of Pledged Revenues.** The payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues, moneys on deposit in the funds and accounts created and established pursuant to Section 7.01 hereof (and all earnings thereon), all in the manner and to the extent provided herein, and, as provided herein, the County does hereby irrevocably pledge such Pledged

Revenues, moneys deposited into the funds and accounts created by this ordinance, and all earnings thereon, all to the payment of, the principal of, premium, if any, and interest on the Bonds, the funding and maintaining of the reserves therefor as required herein and for all other payments as provided herein. Such lien and pledge of the Pledged Revenues and the moneys in such funds and accounts shall be prior and superior to all other liens, pledges or encumbrances on the Pledged Revenues and the moneys in such funds and accounts.

**ARTICLE VII**  
**CREATION AND USE OF FUNDS AND**  
**ACCOUNTS: DISPOSITION OF REVENUES**

**SECTION 7.01. Creation of Funds and Accounts.** There are hereby created and established the "Construction Fund," the "Water and Sewer Enterprise Fund" and the following accounts therein to be known as: the "General Revenue Account," the "Impact Fee Account," and two subaccounts therein to be known as the "Water Impact Fee Subaccount" and the "Sewer Impact Fee Subaccount," the "Operation and Maintenance Account," the "Rate Stabilization Fund," the "Sinking Fund" and the following accounts therein to be known as: the "Principal Account," the "Interest Account," the "Swap Obligations Account" and the "Redemption Account," the "Debt Service Reserve Fund," the "Operating Reserve Fund," the "Renewal and Replacement Fund" and the "General Reserve Fund." The Enterprise Fund, the Construction Fund, the Rate Stabilization Fund, the Sinking Fund, the Debt Service Reserve Fund, the Operating Reserve Fund, the Renewal and Replacement Fund and the General Reserve Fund, and all accounts and subaccounts therein shall constitute trust funds for the purposes herein provided, shall be delivered to and held by the Chief Financial Officer (or an Authorized Depositary designated by the Chief Financial Officer), in each case who shall act as trustee of such funds for the purposes hereof, shall be subject to a lien and charge in favor of the Bondholders, and shall at all times be kept separate and distinct from all other funds of the County and used only as herein provided.

**SECTION 7.02. Construction Fund.** Moneys in the Construction Fund shall be kept separate and apart from all other accounts of the County, and funds on deposit therein shall be withdrawn, used and applied by the County solely for the payment of the Cost of the Projects. The County may create or cause to be created separate accounts within the Construction Fund for the construction of Projects. Capitalized interest, if any, for any Bonds deposited in the Construction Fund shall be transferred, to the extent necessary, to the Interest Account to pay interest on such Bonds.

The Cost of any Project shall include, without limiting the items of cost permitted under the Act, the following items to the extent they relate to any such Project: (i) all direct costs of such Project that are described in the plans and specifications for such Project; (ii) all costs of planning, designing, acquiring, constructing, financing and placing such Project in operation; (iii) all costs of issuance of Bonds, including the cost of municipal bond insurance, bond counsel, underwriters and underwriters' counsel, special tax counsel, financial advisors, printing costs, rating agency fees, initial acceptance fees of paying agents, registrars, trustees, depositaries and financial institutions providing special credit facilities with respect to one or more series of Bonds; (iv) the cost of any lands or interests therein and all of the properties deemed necessary or convenient for the maintenance and operation of such Project; (v) all engineering, legal and



financial costs and expenses; (vi) all expenses for estimates of costs and of revenues; (vii) costs of obtaining governmental and regulatory permits, licenses and approvals; (viii) all fees of special advisors and consultants associated with one or more aspects of such Project; (ix) all amounts required to be paid by this ordinance or any supplemental ordinance or resolution authorizing the issuance of Bonds into the Debt Service Reserve Fund or Sinking Fund upon the issuance of any series of Bonds; (x) the payment of all principal, premium, if any, and interest when due, of any Bonds of any series or other evidences of indebtedness issued to finance a portion of the cost of such Project, whether at the maturity thereof or at the due date of interest or upon redemption thereof; (xi) interest on Bonds of any series prior to and during construction of such Project for which such Bonds were issued, and for such additional periods as the County may reasonably determine to be necessary for the placing of such Project in operation; (xii) the reimbursement to the County of all such costs of such Project that have been advanced by the County from its available funds; and (xiii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction and acquisition of such Project and the placing of same in operation.

All such funds shall be and constitute trust funds for such purposes, and shall be delivered to and held by the Chief Financial Officer who shall act as trustee of such funds for the purposes of this ordinance. There is hereby created a lien on such funds in favor of the Bondholders until applied as herein provided.

Any funds on deposit in the Construction Fund that in the opinion of the County are not immediately necessary for expenditure, as hereinabove provided, may be held and may be invested in the manner provided by law, provided that such investments are redeemable at not less than par on or before the date such funds are estimated to be needed for the purposes hereof. All income derived from investment of funds in the Construction Fund shall be deposited into the Construction Fund.

Any liquidated damages or settlement payments received by the County as a result of the breach by any contractor, subcontractor or supplier working or supplying goods for the Projects, of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of the Projects during construction shall be deposited into the appropriate subaccount or subaccounts in the Construction Fund to ensure completion of the Projects.

The County covenants to work with due diligence to complete each Project. To the extent the cost of a Project is to be paid in part from funds of the County (for example, from the Impact Fee Account or the Renewal and Replacement Fund), such funds shall be transferred to and deposited into the Construction Fund and used in accordance with the provisions of this Section. If funds for any Project are to come from other sources (for example, from state or federal grants and loans), the County shall take all legally available actions to ensure the receipt of such funds and shall cause such funds to be deposited into the Construction Fund or otherwise set aside in a separate fund or account and used for the purposes herein provided.

Upon completion of a Project, any amounts then remaining in the Construction Fund in respect thereof and not reserved by the County for the payment of the Cost of such Project, shall be transferred as follows: (i) excess moneys derived from the Impact Fee Account shall be

transferred to the Impact Fee Account and used as provided for funds deposited therein; and (ii) all remaining excess funds, at the option of the County, shall be transferred to the Renewal and Replacement Fund and used for the purposes therein described, or shall be used to redeem Bonds in the manner described in Section 7.07 hereof, or upon receipt of an opinion from Bond Counsel that the interest on the Bonds will not become includible in gross income for federal income tax purposes as a result of such action, shall be deposited into the Sinking Fund and used to pay principal and interest next coming due on the Bonds.

**SECTION 7.03. Disposition of Revenues, Impact Fees.** Gross Revenues, shall be deposited by the County into the General Revenue Account immediately upon receipt, and all Impact Fees shall be deposited by the County into the Impact Fee Account immediately upon receipt.

(1) **DISPOSITION OF FUNDS IN THE GENERAL REVENUE ACCOUNT.** Funds in the General Revenue Account shall be disposed of on or before the 15th day of each month, commencing with the month immediately following the delivery of the first Bonds issued hereunder, only in the following order and priority:

(a) First, by deposit in the Operation and Maintenance Account, the amount necessary to make the funds on deposit therein equal to the amount provided in the Annual Budget of the County for payment of the Cost of Operation and Maintenance for one full month following the date of such deposit plus such additional amounts as may be necessary to pay the actual Cost of Operation and Maintenance for such month.

(b) Then, by deposit into the Sinking Fund an amount which, together with amounts set aside in the Impact Fee Account pursuant to Section 7.03(2)(a) hereof that have not been taken into account for purposes of this clause (b) and other deposits made into the Interest Account pursuant to the provisions of this ordinance, will be equal to one-sixth (1/6th) of the interest maturing on the Bonds on the next interest payment date, one-twelfth (1/12th) of all principal maturing during the current Bond Year on the various series of Serial Bonds of the Bonds that mature annually, one-sixth (1/6th) of all principal maturing on the next maturity date in such Bond Year on the various series of Serial Bonds of the Bonds that mature semiannually, one-sixth (1/6) of the semiannual Amortization Installments coming due on the next interest payment date in the current Bond Year with respect to the Bonds, one-twelfth (1/12th) of the annual Amortization Installments and the unamortized principal balances of Term Bonds coming due during the current Bond Year with respect to the Bonds, until there are sufficient funds then on deposit equal to the sum of the interest, principal and redemption payments due, respectively, on the Bonds, on the next interest, principal and redemption dates in such Bond Year.

Moneys deposited into the Sinking Fund pursuant to the foregoing shall be credited first to the Interest Account, then pro rata to the Principal Account and the Redemption Account, in each case until the amounts on deposit therein are equal to the amounts required to be deposited therein at the end of each six (6) month period ending on an interest payment date; provided, however, that for each interest payment date that is not also an annual principal payment or redemption date with respect to annual rather

than semiannual payments or Amortization Installments, the amounts required to be deposited in the Principal Account and the Redemption Account with respect to annual rather than semiannual payments or Amortization Installments shall be one-half (1/2) of the amounts required to be on deposit therein at the next annual principal payment or redemption date.

Deposits shall be increased or decreased to the extent required to pay principal and interest coming due, after making allowance for any accrued and capitalized interest and taking into account deficiencies in prior months' deposits. Additionally, if Variable Rate Bonds are outstanding, the County shall deposit into the Sinking Fund on the business day immediately preceding the interest payment date the interest accrued on such Bonds not theretofore deposited for such month (plus any deficiencies in interest deposits for the preceding month), in lieu of the one-sixth (1/6th) interest deposit described above.

In the event the County shall enter into an Interest Rate Agreement with respect to Bonds, the County shall adjust deposits into the Sinking Fund with respect to interest on the Bonds taking into account: (i) the actual interest borne by such Bonds for such period, (ii) County receipts from the Interest Rate Agreement Provider under the Interest Rate Agreement, and (iii) the payments made by the County to the Interest Rate Agreement Provider for such period, with the payments described in clauses (ii) and (iii) above being calculated on the applicable notional amount.

(c) Then, by deposit into the Debt Service Reserve Fund, an amount which, together with funds concurrently deposited therein from the Impact Fee Account pursuant to Section 7.03(2)(b) hereof and other funds then on deposit therein, will be sufficient to make the funds on deposit therein equal to the Debt Service Reserve Fund Requirement for the Bonds. The County shall have the option, in lieu of the deposit of such funds or in substitution of funds on deposit therein, to provide a credit facility issued by a reputable and recognized financial institution in an amount equal to the difference between the Debt Service Reserve Fund Requirement and the sums then on deposit in the Debt Service Reserve Fund. A credit facility must be payable on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists which cannot be cured by funds in any other account held pursuant to this ordinance and available for such purpose, and shall name an Authorized Depositary who has agreed to serve as trustee for the benefit of the Bondholders as the beneficiary thereof. In addition, the financial institution shall be one whose credit facilities insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by S&P, Moody's, or Fitch Ratings or their successors. If a disbursement is made from a credit facility, the County shall be obligated to reinstate the maximum limits of such credit facility immediately following such disbursement or to replace such credit facility by depositing into the Debt Service Reserve Fund from available Net Revenues and Impact Fees, as herein provided, funds in the maximum amount originally payable under such policy, plus amounts necessary to reimburse the surety for previous disbursements made pursuant to such policy, or a combination of such alternatives. Any deficiency in the Debt Service Reserve Fund after

a series of Bonds is issued (but not upon issuance) may be replenished over a period not to exceed 60 months during which the County shall make substantially equal monthly installments in order that the amounts on deposit therein at the end of such period shall equal the Debt Service Reserve Fund Requirement.

(d) Then, to the payment of principal and interest on any Subordinated Obligations heretofore or hereafter incurred by the County in connection with the System and in accordance with the proceedings authorizing such Subordinated Obligations.

(e) Then, by deposit into the Operating Reserve Fund an amount until such time that the balance therein shall equal 25 percent of the Cost of Operation and Maintenance in the Annual Budget for the then current Fiscal Year.

(f) Then, by deposit into the Renewal and Replacement Fund an amount until such time that the balance therein shall equal 20 percent of Gross Revenues for the preceding Fiscal Year (in the case of the Fiscal Year ending in 2003, Gross Revenues for such Fiscal Year shall be annualized), plus an amount equal to any unrestored withdrawal made to cure deficiencies in the Sinking Fund under Section 7.08 hereof; provided, however, that subsequent to September 30, 2009 no further deposits shall be required under this subparagraph (f) whenever and so long as the County shall obtain a certificate from the Qualified Independent Consultant that, in its judgment, the amount on deposit in the Renewal and Replacement Fund as set forth in the annual report filed with the County pursuant to Section 9.01 hereof is adequate to pay the cost of replacements of capital assets and any emergency repairs described in Section 7.07 hereof. In making the deposits contemplated by this subparagraph (f) and subparagraph (h), the County shall take into account moneys already on deposit in the Renewal and Replacement Fund.

(g) Then, in the discretion of the County, by deposit into the Rate Stabilization Fund in such sums as may be determined by the County.

(h) Any remaining Gross Revenues shall be deposited into the General Reserve Fund, which moneys shall be used in the following order of priority: (i) to the Operation and Maintenance Account to make up any deficiency in amounts available for the Cost of Operation and Maintenance, (ii) to the Sinking Fund to make up any deficiencies in said Fund, (iii) to the Debt Service Reserve Fund so the amount therein shall be equal to the Debt Service Reserve Fund Requirement, (iv) to the payment of Subordinated Obligations to the extent of any deficiency in the amounts due thereon and (v) to the Renewal and Replacement Fund to make up any deficiencies in said Fund and, prior to October 1, 2009, to further accumulate any remaining Gross Revenues.

Amounts in the General Reserve Fund not required to meet deficiencies as required in the preceding paragraph or to make the accumulation prior to October 1, 2009 shall upon determination of the County be applied or set aside for any one or more of the following:

(i) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any Bonds or any reserves the County determines shall be required for such purposes;

(ii) in connection with the planning, development and determination of, feasibility of, future extensions, improvements or additions to the System;

(iii) for deposit into the General Revenue Account; and

(iv) for any other lawful purpose of the County.

Deposits required pursuant to this Section shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been cured. Deposits shall be increased or decreased to the extent required to pay principal and interest coming due, after making allowance for any accrued and capitalized interest. Additionally, if Variable Rate Bonds are outstanding on the 15<sup>th</sup> day of such month, the County shall deposit into the Sinking Fund in lieu of the one-sixth (1/6<sup>th</sup>) interest deposit described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the 15<sup>th</sup> day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month, less any amount previously deposited for such interest pursuant to the third paragraph of Section 7.03(1)(b).

(2) **DISPOSITION OF FUNDS IN THE IMPACT FEE ACCOUNT.** Funds in the Impact Fee Account shall be disposed of on or before the fifteenth (15th) day of each month, commencing with the month immediately following the delivery of the 2003 Bonds issued hereunder, only in the following order and priority, and then only to the extent permitted under law:

(a) For the payment into the Interest Account, the Principal Account and the Redemption Account when the moneys in the General Revenue Account are insufficient to make the deposits therein required under this ordinance.

(b) To restore any withdrawals or to make up any deficiencies that may exist from time to time in the Debt Service Reserve Fund whenever the moneys in the Revenue Fund are insufficient for such purpose but not in an amount in excess of the Impact Fees in such Bond Year.

(c) To pay the cost of constructing extensions to the System or for the purpose of purchasing or redeeming Bonds or for any other lawful purpose.

(3) The County shall not be required to make any further payments into the Sinking Fund, including the subaccounts therein, or the Debt Service Reserve Fund when the aggregate amount of funds in both the Sinking Fund, including the subaccounts therein, and Debt Service Reserve Fund are at least equal to the aggregate principal amount of Bonds issued pursuant to this ordinance and then Outstanding, plus the amount of interest then due or

thereafter to become due on said Bonds then Outstanding, or if all Bonds then Outstanding have otherwise been defeased pursuant to Section 12.02 hereof.

**SECTION 7.04. Use of Moneys in Operation and Maintenance Account.** Moneys on deposit in the Operation and Maintenance Account shall be used to pay the Cost of Operation and Maintenance.

**SECTION 7.05. Use of Moneys in the Sinking Fund.**

(1) Moneys on deposit in the Interest Account and Principal Account shall be used solely for the payment of the interest on and the principal of and any redemption premiums required with respect to the Bonds, respectively.

(2) At the maturity date of each Bond and at the due date of each Amortization Installment and installment of interest on each Bond, the County shall transfer from the Sinking Fund to the Paying Agent for such Bonds sufficient moneys to pay all principal of, premiums, if any, and interest then due and payable with respect to each such Bond.

(3) Moneys deposited in the Redemption Account for the redemption of Bonds shall be applied with reasonable diligence to the retirement of Bonds issued under the provisions of this ordinance and then Outstanding in the following order:

(a) The County shall first endeavor to purchase Outstanding Term Bonds redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such series of Term Bonds) among all such Bonds if more than one series of such Term Bonds are Outstanding, or if no such Term Bonds are Outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, in each case only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest or the Compounded Amount, as the case may be, but no such purchase shall be made by the County within a period of thirty days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of this ordinance;

(b) Then, to the extent moneys remain on deposit in the Redemption Account that are held for the redemption of Bonds, the County shall call for redemption on the redemption date specified for such Amortization Installment, such amount of Term Bonds subject to the Amortization Installment for such Bond Year that have not been purchased pursuant to clause (a) above; and

(c) Then, to the extent moneys remain on deposit in the Redemption Account that were deposited therein pursuant to this ordinance for the purpose of redeeming Bonds, the County shall first call any remaining Term Bonds then subject to redemption, and then Serial Bonds then subject to redemption, in such order and by such selection method as the County, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If Term Bonds are purchased or redeemed pursuant to this Section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for the Bonds in such Bond Year or Years as the County may determine and as may be reflected in the County's permanent accounting records. Such election shall be included in the annual audited reports of County referred to in Section 9.05 hereof.

(4) Notwithstanding the foregoing and any other provision of this ordinance to the contrary, any funds on deposit in the Debt Service Reserve Fund may be withdrawn from the Debt Service Reserve Fund and used to refund or redeem Bonds so long as an equal amount of proceeds of Additional Bonds or other funds of the County is immediately deposited in the Debt Service Reserve Fund in replacement of the funds so withdrawn.

(5) In the event the County shall enter into an Interest Rate Agreement with respect to one or more series of Bonds, net payments made by the County to the Interest Rate Agreement Provider (exclusive of termination fees or penalties under such Interest Rate Agreement) shall constitute the payment of interest on such series of Bonds for purposes of the Sinking Fund. Moneys deposited in the Swap Obligations Account shall be used solely to make payments under any Interest Rate Agreements.

**SECTION 7.06. Use of Moneys in the Operating Reserve Fund.** The funds in the Operating Reserve Fund shall be used only (i) at any time for the purpose of curing deficiencies in the Sinking Fund or the Debt Service Reserve Fund, or both, (ii) when no such deficiencies exist, as needed for the purpose of paying the Cost of Operation and Maintenance, to the extent moneys on deposit in the Operation and Maintenance Account are insufficient therefor, or (iii) when no such deficiencies exist, as needed for the purpose of paying the cost of extensions, improvements or additions to, or the replacement of capital assets of, the System, when amounts on deposit in the Renewal and Replacement Fund are insufficient therefor.

**SECTION 7.07. Use of Moneys in the Renewal and Replacement Fund.** The funds in the Renewal and Replacement Fund shall be used only (i) at any time for the purpose of curing deficiencies in the Sinking Fund or the Debt Service Reserve Fund, or both or (ii) when no such deficiencies exist, as needed for the purpose of paying the cost of extensions, improvements or additions to, or the replacement of capital assets of, the System, including land, or any unusual or extraordinary maintenance or repairs which the Utilities Director of the County shall certify are necessary for the System; provided, however, that upon the certificate of County's Qualified Independent Consultant that funds in the Renewal and Replacement Fund are not needed for the purposes described in clause (ii) above, and so long as no deficiencies described in clause (i) above exist, such excess funds may be used for the redemption prior to maturity of Bonds then outstanding in the manner provided herein or the purchase at not more than the redemption price of such Bonds on the next ensuing redemption date.

**SECTION 7.08. Use of Moneys in the Rate Stabilization Fund.** The funds in the Rate Stabilization Fund may be used only for redeposit into the General Revenue Account. Moneys redeposited into the General Revenue Account shall be included in Gross Revenues for purposes of calculating Net Revenues hereunder for the Fiscal Year in which such redeposit occurs.

**SECTION 7.09. Paying Agents.** The County shall transfer, from the various funds and accounts established in this Article VII, to one or more Paying Agents as shall be designated by ordinance or resolution hereafter and from time to time adopted by the County, an amount sufficient to pay when due the principal of, interest on and redemption premium, if any, with respect to the Bonds. Any Paying Agent may be removed at any time, by the County, or at the request of the Bond Insurer for any breach of the duties imposed on it under this ordinance. The Bond Insurer shall receive from the Paying Agent prior written notice of any Paying Agent resignation. Any successor Paying Agent shall not be appointed unless the Bond Insurer approves such successor in writing. Notwithstanding any other provision of this ordinance, no removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed.

**ARTICLE VIII**  
**DEPOSITARIES OF MONEYS, SECURITY**  
**FOR DEPOSITS AND INVESTMENT OF FUNDS**

**SECTION 8.01. Deposits Constitute Trust Funds.** All funds or other property which at any time may be owned or held in the possession of or deposited with the County in the Enterprise Fund, the Construction Fund, the Sinking Fund, the Debt Service Reserve Fund, the Operating Reserve Fund, the Renewal and Replacement Fund and the General Reserve Fund under the provisions of this ordinance shall be held in trust and applied only in accordance with the provisions of this ordinance, and shall not be subject to lien or attachment by any creditor of the County.

All funds or other property which at any time may be owned or held in the possession of or deposited with the County pursuant to this ordinance shall be continuously secured, for the benefit of the County and the Bondholders either (a) by lodging with an Authorized Depositary, as custodian, with collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as permitted hereunder and as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including without limitation, the provisions of chapter 280, Florida Statutes, as from time to time amended.

All moneys deposited with each Authorized Depositary shall be credited to the particular Fund or Account to which such moneys belong.

**SECTION 8.02. Investment of Moneys.** Moneys held for the credit of the funds and accounts established hereunder shall be invested and reinvested by the County in the Investment Obligations. Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by the County, that the moneys held for the credit of said funds and accounts will be needed for the purposes of such funds or accounts.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the



purposes of this ordinance, be valued no less than annually at the end of each Fiscal Year at the fair market value.

Except as otherwise expressly provided herein, all income and profits derived from the investment of moneys in the Construction Fund, General Reserve Fund, and the Impact Fee Account shall be retained in such Funds and Account and used for the purposes specified for such Funds and Account. All income and profits derived from the investment of moneys in the Debt Service Reserve Fund shall be retained therein until the Debt Service Reserve Fund is fully funded; thereafter, such income and profits shall be deposited into the Construction Fund until the amount on deposit therein is sufficient for such purposes. All income and profits derived from the investment of moneys in all other funds and accounts created hereby (including, without limitation, the Rate Stabilization Fund) shall be deposited upon receipt into the General Revenue Account.

## **ARTICLE IX**

### **GENERAL COVENANTS OF THE COUNTY**

**SECTION 9.01. Maintenance of System.** The County will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for its economical operation and maintenance.

The System shall be inspected and its operations reviewed annually by the County or, at the option of the County, by a Qualified Independent Consultant, and immediately following such inspection a written report on the condition of the System and manner of operations shall be filed with the County.

A copy of the report and the accounts therein shall be available for inspection at the offices of the County, and mailed to any Bondholder requesting the same.

If the report shows that the System is not in good condition, then to the extent funds in the Operation and Maintenance Account or the Renewal and Replacement Fund or the funds in the Impact Fee Account are available, the County shall immediately make or cause to be made such repairs as shall be necessary to place the System in good condition.

If the report shows that the operations are not in conformity with any provisions hereof, the County shall immediately take such reasonable steps as are necessary to comply with such provisions.

**SECTION 9.02. Operating Budget.** Before the first day of each Fiscal Year the Board shall prepare, approve and adopt in the manner prescribed by law, a detailed budget of the Pledged Revenues, Annual Bond Service Requirement, and Cost of Operation and Maintenance for the next succeeding Fiscal Year. Copies of its annual budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of the County and shall be mailed to the Bond Insurer and any Bondholder upon request.

**SECTION 9.03. Rate Covenant.** The County covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals

and other charges for the use of the products, services and facilities of the System that will always provide Gross Revenues in each Bond Year which, together with the additional sources of funds referred to below, will be sufficient in accordance with the provisions hereof to meet the following requirements:

(a) The Gross Revenues received in such Bond Year shall be at least equal to the sum of 100 percent of the Cost of Operation and Maintenance for such Bond Year, plus 110 percent of the Annual Bond Service Requirement for the Bonds in such Bond Year, plus the payment of annual debt service on Subordinated Obligations; and

(b) The sum of the Gross Revenues and the Available Impact Fees received in such Bond Year shall be at least equal to the sum of 100 percent of the Cost of Operation and Maintenance for such Bond Year, plus 125 percent of the Annual Bond Service Requirement for the Bonds in such Bond Year.

For purposes of this Section 9.03, the "Available Impact Fees" shall mean the amount of Impact Fees that are received in such Bond Year.

**SECTION 9.04. Books and Records.** The County shall keep separately identifiable financial books, records, accounts and data concerning the operation of the System and the receipt and disbursement of Pledged Revenues, and any Bondholder holding not less than three percent of the Bond Obligation and the Bond Insurer shall have the right at all reasonable times to inspect the same.

**SECTION 9.05. Reports and Annual Audits.**

(1) The County shall require that an annual audit of its accounts and records be completed as soon as practicable after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governments and shall include a certification by the auditors stating that no default or event of default on the part of the County of any covenant herein has been disclosed by reason of such audit or, alternatively, specifying in reasonable detail the nature of such default or event of default.

(2) The Board shall require its duly authorized officer to file with the County any special financial reports as requested at the time by a written document signed by Bondholders owning more than 50 percent of the Bond Obligation then Outstanding and the Bond Insurer, in each case acting jointly.

(3) A copy of each report of the Chief Financial Officer, together with the annual financial report as certified according to the requirements stated herein, shall be available for inspection at the offices of the County and shall be promptly furnished to the underwriter of each series of Bonds and mailed to the Bond Insurer upon its request and any Bondholder requesting the same, upon payment by the Bond Insurer or such Bondholder, as the case may be, of the cost of reproduction and mailing. In addition, the annual financial report shall be promptly mailed to any Bondholder requesting same without charge.

#### **SECTION 9.06. No Mortgage or Sale of System.**

(a) The County will not mortgage, pledge or otherwise encumber the System.

(b) The County will not, except in the ordinary course of business, sell or otherwise dispose of any part of the System or any component thereof, or any portion of the future capacity thereof, the fair market value of which, as determined by the Qualified Independent Consultant, in either case, exceeds two percent of the Cost of Operation and Maintenance in such Fiscal Year, except under the following conditions:

(1) If the fair market value of the property in question as determined by a Qualified Independent Consultant, together with the fair market value as determined by a Qualified Independent Consultant of all property previously sold or disposed of in such Fiscal Year, does not exceed two percent of the undepreciated book value of the System as determined by the Qualified Independent Consultant, the Board, shall first find that such property is no longer necessary, useful or profitable in the operations of the County and authorize the sale or disposition of such property. The proceeds received from the sale or disposition of such property shall be deposited, at the option of the County, either into the Renewal and Replacement Fund for the uses herein provided or, into the Redemption Account for the purchase or redemption of Bonds in accordance with the terms hereof.

(2) If the fair market value of the property in question as determined by a Qualified Independent Consultant, together with the fair market value as determined by a Qualified Independent Consultant of all property previously sold or disposed of in such Fiscal Year, exceeds two percent of the undepreciated book value of the System as determined by the Qualified Independent Consultant, the Qualified Independent Consultant shall first find in writing that the sale or disposition of such property will not materially and adversely affect the Net Revenues of the System in any of the five (5) Fiscal Years following the Fiscal Year in which such property is sold, and the Board shall then find that such property is no longer necessary, useful or profitable in the operations of the County, and authorize the sale or other disposition of such property. The proceeds derived from the sale or disposition of such property shall be deposited into the Renewal and Replacement Fund or the Redemption Account, as directed by the County.

(3) The County will not sell the future capacity of the System or any portion thereof unless (i) the recipient of such capacity agrees to pay monthly charges calculated to reimburse the County for the Cost of Operation and Maintenance with respect to that portion of the System's capacity and (ii) the County first receives a certificate from the Qualified Independent Consultant that the contract price for the capacity is fair and reasonable and that the incremental deposits or installment payments, if any, derived from such contract price that are permitted to be deposited into the Sinking Fund pursuant to the following paragraph, together with other Gross Revenues and Historical Adjusted Impact Fees as defined in Section 10.02(1)(c), will be sufficient to satisfy the County's obligations under Section 9.03 in each of the three (3) consecutive Bond Years following the sale of such capacity. Such certificate of the Qualified Independent Consultant shall also state the portion of the contract price referred to in

clause (3)(ii) above, and each installment thereof if paid in installments, that represents Impact Fees (the "Future Capacity Component"). The remaining portion of such contract price, and the remaining portion of each installment thereof, shall be referred to herein as the "Gross Revenue Component."

Proceeds received from the sale or disposition of the System or a substantial part thereof, or any sale of the future capacity thereof as described in clause (3)(ii) above, are hereby pledged as security for the Bondholders for the purposes herein provided, but shall not be deemed Gross Revenues for purposes of the rate covenant contained in Section 9.03 hereof; provided, however, that if proceeds received from the sale of capacity pursuant to clause (3)(ii) above are payable in substantially equal consecutive semiannual (or more frequent) installments during the period for which capacity has been reserved (taking into account such inflation factors, if any, that the County deems appropriate), the Gross Revenue Component of such payments shall be deemed Gross Revenues for all purposes hereof. If such proceeds are payable in lump sum or on other than a substantially equal consecutive semiannual (or more frequent) installment basis, the Gross Revenue Component of such proceeds, at the option of the County exercised concurrently with such sale, shall be deposited into the Redemption Account and used to purchase or redeem Bonds pursuant to Section 7.05(3) hereof, or shall be deposited into a subaccount in the Interest Account and Principal Account created hereunder and disbursed incrementally on a monthly basis into the Interest Account and Principal Account created hereunder in substantially equal installments during the period for which such payments for the capacity of the System were made. Incremental deposits into the Sinking Fund pursuant to the preceding sentence shall be treated as Gross Revenues. The Future Capacity Component of such contract payments shall be treated as Impact Fees for all purposes hereof, whether received in lump sum or on an annual basis, and shall be disposed of as set forth in Section 7.03(2) hereof.

(c) The System may be sold or disposed of in whole or in substantial part only upon the following conditions:

(1) The System may be sold or disposed of as a whole or in substantial part only if the net proceeds to be realized shall be sufficient to fully retire all of the Bonds issued pursuant this ordinance, or to make provision for their payment in accordance with Section 12.02 hereof and all other obligations payable pursuant to the terms thereof and hereof shall be paid in full. Proceeds from such sale or disposition shall be immediately deposited into the Redemption Account or any other account established hereunder with the Paying Agents for such purpose and shall either be used for the immediate payment and redemption of the Bonds Outstanding or shall be used in a manner that will cause the lien of this ordinance to be defeased in accordance with Section 12.02 hereof.

(2) The County may also sell, lease, transfer or dispose of all or a substantial part of the System to any other public entity or agency thereof in the State of Florida provided (i) such public entity or agency assumes the covenants, duties and obligations of the County hereunder by ordinance, resolution or other appropriate written instrument, (ii) the County or such other public entity or agency thereof continues to collect, pledge and make available the Impact Fees, as herein provided, (iii) certification

of the Qualified Independent Consultant that the rates, fees, rentals and charges from the operation of the System by such public entity or agency, together with the remaining Net Revenues from that part of the System not sold, leased, transferred or disposed of and, to the extent appropriate, the Impact Fees, will be sufficient to satisfy the County's rate covenants contained herein and to pay in each year the debt service on the Bonds and the Cost of Operation and Maintenance and the deposits into the Debt Service Reserve Fund and the Renewal and Replacement Fund as herein provided, (iv) in the opinion of Bond Counsel, such action will not cause the interest on the Bonds outstanding hereunder, or any of them, to become includible in gross income for federal income tax purposes, (v) the County shall have first received confirmation from any of the rating agencies initially rating the Bonds then Outstanding that such arrangement will not cause the rating on the Bonds to be lowered, and (vi) the documents evidencing such sale, lease, transfer or disposition shall otherwise comply in all material respects, in form and substance, with the written recommendations of the Qualified Independent Consultant.

(3) The County may also lease the System or any part thereof to any other legal entity provided: (i) the System or such part shall, concurrently with such lease, be subleased to the County or to any other public entity or agency thereof in the State of Florida qualifying under the conditions provided in Section 9.06 (c)(2) hereof, pursuant to an agreement with a term no shorter than the later of the final maturity date of any Bonds issued under this ordinance, and (ii) the County shall first comply with all of the provisions of clauses (ii) through (vi) of Section 9.06(c)(2) hereof.

**SECTION 9.07. Insurance and Condemnation Awards.** The County will carry adequate fire, windstorm and explosion insurance on the components of the System that are subject to loss through fire, windstorm or explosion; adequate public liability insurance; other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Florida; and in time of war, such insurance as may be available at reasonable cost against loss or damage by the risks and hazards of war in an amount or amounts equal to the fair market value of the System as determined by the Qualified Independent Consultant. The County may, upon appropriate authorization by its Board, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the County and, to the extent herein provided, the Bondholders. All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the System or any part thereof are hereby pledged by the County as security for the Bonds. All such proceeds, shall be deposited at the option of the County but subject to the limitations hereinafter described either (i) into the Renewal and Replacement Fund hereunder, in which case, such proceeds shall be held in such Renewal and Replacement Fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the Redemption Account for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Section 7.05(3) hereof. The County shall not be entitled to deposit insurance proceeds or condemnation awards into the Renewal and Replacement Fund pursuant to clause (i) above (and such proceeds and awards shall be deposited directly into the Redemption Account pursuant to clause (ii) above) unless there shall have been filed with the Board within a reasonable time (a) a certificate from the Qualified Independent Consultant that the proceeds of

insurance or condemnation awards deposited into such Renewal and Replacement Fund, together with other funds in such Renewal and Replacement Fund available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to condemnation or destruction (taking into consideration any changes, alterations and modifications that the County may desire), (b) a certificate from the Qualified Independent Consultant that the System can be repaired, rebuilt, replaced or restored within two (2) years following the destruction or condemnation thereof and (c) a certificate of the Qualified Independent Consultant that, in each of the three (3) Bond Years following completion of such repair, rebuilding, replacement or restoration, the County will be in compliance with its obligations hereunder, including, without limitation, its obligations under Section 9.03 hereof. If the certificate described in clause (a) above is not rendered because such proceeds or awards, together with funds on deposit in such Renewal and Replacement Fund, are insufficient for such purpose, the County may deposit other available funds (including bond proceeds) in such Renewal and Replacement Fund in an amount required to enable the Qualified Independent Consultant to render its certificate. Proceeds received from such insurance proceeds and condemnation awards shall not be deemed Gross Revenues for purposes of the rate covenant of the County contained in Section 9.03 hereof.

**SECTION 9.08. No Free Services.** The County will not render or cause to be rendered any free services of any nature by its System, nor will any preferential rates be established for users of the same class; and in the event the County or any department, agency, instrumentality, officer or employee thereof, shall avail itself of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the County and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the County shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenue derived from such operation of the System. Notwithstanding the foregoing, the County may provide effluent to use for golf course irrigation to Summer Beach, Ltd. and Long Point Development Company during the period of any existing contract relating thereto, without any extension of such contracts.

**SECTION 9.09. Mandatory Cut Off.** Upon the failure of any user to pay for services rendered by the System within sixty (60) days, the County, to the extent permitted by applicable law, shall shut off the connection of such user and shall not furnish him or permit him to receive from the System further service until all obligations owed by him to the County on account of services shall have been paid in full. This covenant shall not, however, prevent the County from causing the System connection to be shut off sooner.

**SECTION 9.10. Enforcement of Collections.** The County will diligently enforce its right to receive the Net Revenues and will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the System. The County will not take any action that will impair or adversely affect its rights to levy, collect and receive the Net Revenues as herein provided, or impair or adversely affect in any manner the pledge of the Net Revenues made herein or the rights of the Bondholders. The County shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and

unpaid, to take all lawful action necessary or required to continue to entitle the County to receive the Net Revenues and each component thereof in at least the amounts required by this ordinance.

**SECTION 9.11. Qualified Independent Consultant.** The County will retain Qualified Independent Consultants from time to time as necessary to comply with the requirements of this ordinance.

**SECTION 9.12. No Competing System.** To the full extent permitted by law, the County will not grant, cause, consent to, or allow the granting of, any franchise or permit to any person other than that which is presently held by JEA for the furnishing of water distribution or wastewater collection and treatment services to or within the boundaries of the County, provided, however, that with respect to areas to which service is extended by the County, existing treatment facilities or septic tanks may continue in operation for reasonable periods necessary for integration with the System, to the extent that Net Revenues and Impact Fees of the System will not, in the opinion of the Qualified Independent Consultant, be adversely affected during such period. This Section shall not, however, prevent the County from granting permits for septic tanks or temporary package plants if the area involved is not then being serviced by the System. The County will not own or operate a competing water or wastewater treatment or distribution system.

**SECTION 9.13. Connections with Sewer System.** Except to the extent otherwise permitted under this ordinance, the County will, to the full extent permitted by law and within the capabilities of the System, subject to exception only in isolated hardship instances, require all lands, buildings and structures within the County fronting or abutting on the System or any part thereof or which can use the facilities and services of the System to connect with and use the facilities and services of the System and cease all other means and methods for the collection, purification, treatment and disposal of sewerage and liquid waste matter. This Section shall not, however, be construed to impair any rights under contract existing at the time of adoption of this ordinance.

**SECTION 9.14. Imposition and Collection of Impact Fees.** The County shall adopt and maintain an ordinance pursuant to which it will establish just and equitable Impact Fees, taking into account the recommendations of the Qualified Independent Consultant. The County shall diligently enforce its rights to receive Impact Fees and shall diligently enforce and collect the same. The County shall not take any action that will impair or adversely affect its rights to impose, collect and receive the Impact Fees, as herein pledged, or impair or adversely affect the pledge of the Impact Fees made herein or the rights of the Bondholders.

**SECTION 9.15. Deposit of Federal and State Reimbursement Funds.** The County covenants that any funds or disbursements received by it from federal or state governmental sources that constitute or represent reimbursements of funds expended by the County from the Construction Fund shall be deposited at the option of the County into the Renewal and Replacement Fund to the extent necessary to provide for the payment of the cost of any further expansions, repairs or improvements to the System or into the Redemption Account (even though such amounts may exceed the amounts required to be deposited therein) and used or applied to the retirement of the Bonds.

**SECTION 9.16. Notice of Deposit Shortfall.** So long as Bonds insured by the Bond Insurer are outstanding hereunder, the County covenants that it will notify the Paying Agent, the Bond Insurer and any bond insurance trustee appointed by the Bond Insurer of any shortfall or deficiency in the Sinking Fund at least five (5) days before each principal or payment date on which such shortfall is expected to occur.

## **ARTICLE X**

### **ISSUANCE OF ADDITIONAL PARITY BONDS**

**SECTION 10.01. Issuance of Other Obligations.** The County will not issue any obligations payable from the Net Revenues and/or the Impact Fees or from the amounts in the funds and accounts created hereunder, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to this ordinance, upon the Net Revenues and/or the Impact Fees, except under the terms and conditions and in the manner provided below. Any obligations issued by the County other than in accordance with this Article X and payable from the Net Revenues and/or the Impact Fees shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds issued hereunder as to lien on, and source of and security for payment from, the Net Revenues and/or the Impact Fees.

**SECTION 10.02. Issuance of Parity Obligations.** No Additional Bonds may be issued under this ordinance unless the County shall have first complied with the requirements of this Section.

(1) There shall have been obtained and filed with the Board a certificate signed by one or more Qualified Independent Consultants, pursuant to which they shall state and certify the following:

(a) The actual Cost of Operation and Maintenance of the System, as determined under generally accepted auditing standards, for any twelve (12) consecutive months out of the thirty (30) consecutive months immediately preceding the date of issuance of the proposed Additional Bonds (the "Determination Period"), adjusted to take into account any expected increases or decreases in the Cost of Operation and Maintenance of the System as a result of the construction or acquisition of additions, extensions and improvements to various components of the System to be financed by such Additional Bonds or otherwise, had such increases or decreases occurred at the beginning of the Determination Period (such Cost of Operation and Maintenance as adjusted being hereinafter referred to as the "Historical Adjusted Cost of Operation and Maintenance");

(b) The Gross Revenues received by the County during the Determination Period as determined under generally accepted auditing standards, adjusted to take into account expected increases in the Gross Revenues during the Determination Period that would have been realized from or as a result of (i) new customers of the System attributable to an existing water or wastewater system acquired after the beginning of the Determination Period, or to be acquired with such Additional Bonds before the end of the first Fiscal Year following the issuance of such Additional



Bonds had such acquisition occurred at the beginning of the Determination Period, (ii) connections to the System shown in writing by the Qualified Independent Consultants to have been made after the beginning of the Determination Period as if such connections had occurred at the beginning of the Determination Period, (iii) new customers of the System that by ordinance, agreement, law, or regulation will be required to connect to the System within three years of the issuance of such Additional Bonds, or which the Qualified Independent Consultant projects, by virtue of their proximity to the service provided by a Project or otherwise, will connect to the System within three years of the issuance of such Additional Bonds, as if such connections occurred at the beginning of the Determination Period, (iv) new customers which, prior to the delivery of such certificate, have paid a rate, fee, or charge to reserve water or sewer capacity or to guarantee availability of water or sewer service, had such new customers been customers at the beginning of the Determination Period, and (v) any changes in the rate schedules for customers and users of the System which the County shall then have in effect, or has enacted by ordinance on or before the date of such certificate and which the County has covenanted to put into effect prior to the issuance of such Additional Bonds, or any of them, had such rate changes been effective on the first day of the Determination Period (such Gross Revenues as adjusted being hereinafter referred to as the "Historical Adjusted Gross Revenues");

(c) If Impact Fees are to be considered in meeting the tests described in subparagraph (e) below, the Impact Fees actually received by the County during the Determination Period, adjusted to take into account any expected increases in the annual Impact Fees anticipated to occur within three years of the issuance of such Additional Bonds had the reasons for such increases existed at the beginning of the Determination Period (such Impact Fees as adjusted being hereinafter referred to as the "Historical Adjusted Impact Fee");

(d) The amount of the Maximum Bond Service Requirement for any Bond Year thereafter on account of all Bonds then outstanding under this ordinance and the Additional Bonds proposed to be issued hereunder; and

(e) Based upon the foregoing, it is such Qualified Independent Consultant's opinion that:

(i) The Historical Adjusted Gross Revenues will be at least equal to the sum of 100 percent of Historical Adjusted Cost of Operation and Maintenance, plus 110 percent of the Maximum Bond Service Requirement, plus debt service requirements on Subordinated Obligations, and

(ii) The sum of the Historical Adjusted Gross Revenues and the Historical Adjusted Impact Fees will be at least equal to the sum of 100 percent of the Historical Adjusted Cost of Operation and Maintenance, plus 125 percent of the Maximum Bond Service Requirement.

(2) There shall be obtained and filed with the Board a certificate from the engineer, who may be an employee of the County, supervising construction of such proposed Project that the balance of the funds in the subaccount in the Construction Fund together with net proceeds from such Additional Bonds and the other funds, if any, to be transferred from available moneys of the County and from grants, contributions in aid of construction and investment income, if any, that the County reasonably expects to receive or make available to pay the Cost of such Project, will be sufficient to pay the cost of such Project remaining unpaid.

(3) Notwithstanding the requirements contained in subparagraphs (1) and (2) above, the County may, if and to the extent necessary, issue Additional Bonds for the purpose of completing any Project for which Bonds were theretofore issued and the proceeds of which were insufficient to pay the entire cost of construction thereof, provided that the principal amount of all series of Additional Bonds issued for such purpose with respect to any such Project shall not exceed, in the aggregate, 10 percent of the principal amount of the series of Bonds initially issued to finance such Project, and provided further that the Chief Financial Officer of the County shall first certify that the amount of Additional Bonds proposed to be issued, together with all other funds available to and committed or reserved by the County for use in connection with paying the costs of completing such Project, is not less than the amount required to complete the acquisition and construction of such Project.

(4) In addition to the foregoing, the County may issue at any time and from time to time Additional Bonds for the purpose of refunding any series of Bonds, or any maturity of Bonds within a series, without the necessity of complying with the requirements contained in subparagraphs (1) and (2) above, provided that prior to the issuance of such Bonds there shall be filed with the Board of the County a certificate from a Qualified Independent Consultant to the effect that the Annual Bond Service Requirement with respect to such Additional Bonds in each Bond Year following the issuance thereof shall be equal to or less than the Annual Bond Service Requirement for such Bond Year with respect to the Bonds which would have been outstanding in that Bond Year had the same not been refunded pursuant to this Section. In addition, prior to the issuance of such Additional Bonds, there shall be filed with the Board of the County, an opinion of Bond Counsel to the effect that (i) the proceeds from the sale of such Additional Bonds will be or have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner described in Section 12.02 hereof, and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then Outstanding under this ordinance (including the Bonds be refunded) to become includible in gross income for federal income tax purposes.

(5) An authorized officer of the County shall certify that the County is not in default in the performance of any of the covenants and obligations assumed by it hereunder, and that all payments herein required to have been made into the funds and accounts provided herein shall have been made in full to the extent required.

(6) The County Attorney of the County or Bond Counsel shall submit an opinion to the Board to the effect that the issuance of such Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled.

(7) Each ordinance, resolution or enabling instrument authorizing the issuance of Additional Bonds will recite that all of the covenants herein contained will be fully applicable to such Bonds as if originally issued hereunder.

Additional Bonds issued pursuant to the terms and conditions of this Article shall be deemed on a parity as to lien on the Pledged Revenues with all Bonds then Outstanding, and all of the covenants and other provisions of this ordinance shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to this ordinance and the holders of any Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with this Article. Bonds shall be issued only for the purpose of financing one or more Projects, or for the purpose of refunding any obligations theretofore issued for such purposes.

## **ARTICLE XI**

### **EVENTS OF DEFAULT; REMEDIES**

**SECTION 11.01. Events of Default.** Each of the following events is hereby declared an "event of default,"

(a) payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise is not made when due; or

(b) payment of any installment of interest on any Bond shall not be made when the same shall become due and payable; or

(c) an order or decree shall be entered, with the consent or acquiescence of the County, appointing a receiver or receivers of the County, the System, the Pledged Revenues, or any part thereof or the filing of a petition by the County for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(d) any proceedings shall be instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues; or

(e) the entry of a final judgment or judgments for the payment of money against the County as a result of the ownership, operation or control of the System or which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this ordinance for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been

granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(f) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this ordinance on the part of the County to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the County by the Bondholders of not less than 10 percent of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clause (f), the County shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the County in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected. Additionally, in the event the County shall enter into an Interest Rate Agreement with respect to one or more series of Bonds, "event of default" under this ordinance shall not be deemed to include a termination event or other event under the Interest Rate Agreement.

**SECTION 11.02. Notice; Enforcement of Remedies.** Upon the happening and continuance of any event of default specified in Section 11.01 of this Article, then and in every such case the owners of not less than 25 percent of the Bonds Obligation then Outstanding hereunder and the Bond Insurer, acting jointly, may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the holders of all Bonds then Outstanding (the "Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the Bond Insurer and the holders of 25 percent of the Bond Obligation then Outstanding and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the County and the Trustee and notice of such appointment shall be mailed, postage prepaid to the Bondholders of the Bonds. After the appointment of the first Trustee hereunder, no further Trustees may be appointed; however, the holders of a majority of the Bond Obligation then outstanding and the Bond Insurer, acting jointly, may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Trustee shall terminate with respect to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of owners of 25 percent of the Bond Obligation and the Bond Insurer, acting jointly, shall proceed, subject to the provisions of Section 11.03 hereof, to protect and enforce the rights of the Bondholders under the laws of the State of Florida, including the Act, and under this ordinance, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the County under this ordinance the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the County for principal, interest or otherwise under any provisions of this ordinance or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the County, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Sinking Fund, the Debt Service Reserve Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

**SECTION 11.03. Acceleration of Maturities.** Upon the happening and during the continuance of any event of default specified in Section 11.01 of this Article, then and in every such case the Trustee may, and upon the written request of the owners of not less than a majority of the Bond Obligation then outstanding shall, by a notice in writing to the County, declare the principal of all of the Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this ordinance to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this ordinance, moneys shall have accumulated in the appropriate Funds and Accounts created under this ordinance sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the County hereunder shall have been paid or a sum sufficient to pay the same shall have been set aside, and every other default known to the Trustee, in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this ordinance (other than a default in the payment of the principal of such Bonds then due and payable only because of declaration and/or this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the owners of not less than a majority of the Bond Obligation shall, by written notice to the County, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**SECTION 11.04. Effect of Discontinuing Proceedings.** In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case the County, the Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**SECTION 11.05. Directions to Trustee as to Remedial Proceedings.** Anything in this ordinance to the contrary notwithstanding, the holders of a majority in principal amount of Bonds then Outstanding hereunder shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this ordinance, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

**SECTION 11.06. Restrictions on Actions by Individual Bondholders.** No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any test hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than 25 percent of the Bond Obligation then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this ordinance or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this ordinance, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this ordinance to the rights and remedies herein provided.

**SECTION 11.07. Appointment of a Receiver.** Upon the happening and during the continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this ordinance, the Trustee shall be entitled, as a matter of right, without regard to the solvency of the County, to the appointment of a receiver or receivers of the System, pending such proceedings, with such powers as the court making such appointments shall confer, whether or not the Gross Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

**SECTION 11.08. Subrogation.** If the principal, interest and redemption premium, if any, with respect to any Bonds are paid by the Bond Insurer, the pledge of the amounts on deposit from time to time in the funds and accounts created hereby and all covenants, agreements and other obligations of the County to the Bondholder shall continue to exist and the Bond Insurer shall be subrogated to the rights of such Bondholders.

**SECTION 11.09. Consent of the Bond Insurer upon Default.** Notwithstanding anything provided in this ordinance to the contrary, but subject to the provisions of Section 12.02 hereof, upon the occurrence and continuance of an event of default as defined in Section 11.01 hereof, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders of the Bonds insured by it under this ordinance, including, without limitation, (i) the right to accelerate the principal of the Bonds, and (ii) and the right to annul any declaration of acceleration of the Bonds, and the Bond Insurer shall also be entitled to exercise the approval rights granted to the Bondholders of the Bonds insured by it for all waivers of events of default with respect to the Bonds.

## **ARTICLE XII** **MISCELLANEOUS PROVISIONS**

**SECTION 12.01. Modification or Amendment.** (a) This ordinance may be modified and amended by the County from time to time prior to the issuance of the 2003 Bonds. Thereafter, no modification or amendment of this ordinance or of any resolution or ordinance amendatory hereof or supplemental hereto, materially adverse to the Bondholders or the Bond Insurer may be made without the consent in writing of both the Bond Insurer and the owners of not less than a majority of the Bond Obligation then Outstanding, but no modification or amendment shall permit a change (a) in the maturity of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, (c) that would affect the unconditional promise of the County to collect and hold the Pledged Revenues as herein provided, or provide for the receipt and disbursement of such revenues as herein provided, or (d) that would reduce such percentage of holders of the Bonds, required above, for such modifications or amendments, without the consent of the Bond Insurer and all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the County, directly or indirectly, shall not be counted. The County may amend this ordinance to authorize the issuance of Bonds in coupon form pursuant to Section 5.09 and may make other amendments not prohibited by the foregoing without the consent of the Bond Insurer or the Bondholders, including changes to adjust the terms hereof so as to facilitate the issuance of Variable Rate Bonds or to enter into an Interest Rate Agreement.

(b) Anything in this Section 12.01 to the contrary notwithstanding, to the extent the Bonds are secured by a Municipal Bond Insurance Policy and such Bonds are then rated in as high a rating category as such Bonds were rated (by reason of such Municipal Bond Insurance Policy) at the time of initial issuance and delivery thereof, then the consent of the Bond Insurer of such Bonds shall constitute the consent of the Bondholders provided such Bond Insurer is not in default under the Municipal Bond Insurance Policy or the subject of any liquidation, bankruptcy, insolvency or similar proceeding; and provided, further, that no modification or amendment shall permit a change in the maturity or redemption of such Bonds or a reduction in the rate of interest thereon, or affect the obligation of the County to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues, or adversely affect the rights of Bondholders or reduce the percentage of Owners of such Bonds required in Section 12.01(a) hereof for such modification or amendment, without the consent of the Bondholders of all the Bonds affected.

**SECTION 12.02. Defeasance and Release of Ordinance.** If, at any time after the date of issuance of the Bonds, (a) all Bonds secured hereby or any maturity thereof shall have become due and payable in accordance with their terms or otherwise as provided in this ordinance, or shall have been duly called for redemption, or the County gives the Paying Agents irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the County, or any combination thereof, (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds then outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agents in irrevocable trust for the benefit of the holders of such Bonds (whether or not in any accounts created hereby) which, when invested in direct obligations of the United States of America maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, and (c) provisions shall also be made for paying all other sums payable hereunder by the County, then and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Pledged Revenues, and all other pledges and liens created hereby or pursuant hereto, with respect to such Bonds shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this ordinance other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the County hereunder shall be distributed to the County for any lawful purpose; otherwise this ordinance shall be, continue and remain in full force and effect.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the County to the Bondholders shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Bondholders.

**SECTION 12.03. Commingling of Funds and Accounts.** Notwithstanding anything in this ordinance to the contrary, for the purpose of investing or reinvesting, the County may commingle moneys in the funds and accounts created and established hereunder (other than any rebate fund that may be established) in order to achieve greater investment income; provided that the County shall separately account for the amounts so commingled. The amounts required to be accounted for in each of such funds and accounts may be deposited in a single bank account for the System provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of such funds and accounts shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the System for certain purposes and to establish such certain priorities for application of certain revenues and assets as herein provided.



**SECTION 12.04. Tax Covenants.** The County covenants with the Bondholders to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the County agrees to comply with the provisions of the tax certificate executed by the County on the date of initial issuance and delivery of the Bonds, as such tax certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code. The County shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established in connection with the Bonds. Notwithstanding any other provisions of this ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof. The County shall not use or permit the use of any of the proceeds of the Bonds, or any other funds of the County hereunder, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code. This section shall not apply to any Bonds designated by the County upon original issuance as Bonds the interest thereon is intended to be subject to federal income taxation.

**SECTION 12.05. Severability.** If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this ordinance or of the Bonds issued hereunder.

**SECTION 12.06. Third-Party Beneficiaries, Etc.** To the extent that this ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder. Except as stated in the preceding sentence herein otherwise expressly provided, nothing in this ordinance expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, the Bond Insurer and the owners and holders of the Bonds issued under and secured by this ordinance, any right, remedy or claim, legal or equitable, under or by reason of this ordinance or any provision hereof, this ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto, the Bond Insurer and the owners and holders from time to time of the Bonds issued hereunder.

Nothing in this ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the County, the Trustee, the Bond Insurer, the Paying Agent, if any, and the Bondholders of the Bonds, any right, remedy or claim under or by reason of this ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this ordinance contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Trustee, the Bond Insurer, the Paying Agent, if any, and the Bondholders of the Bonds.

**SECTION 12.07. Controlling Law; Members of County Not Liable.** All covenants, stipulations, obligations and agreements of the County contained in this ordinance shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the County in his individual capacity, and neither the members of the County nor any official executing the Bonds shall be liable personally on the Bonds or this ordinance or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the County or such members thereof.

**SECTION 12.08. Limitation on Rights of the Bond Insurer.** Notwithstanding any other provision contained in this ordinance to the contrary:

- (i) If the Bond Insurer is no longer rated in the highest rating classification by S&P or its successors in interest; or
- (ii) If the Bond Insurer shall be in default in the due and punctual performance of its obligations under the municipal bond insurance policy with respect to the Bonds insured by it or if such policy for whatever reason is not then enforceable and in full force and effect; or
- (iii) If the Bond Insurer shall apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of the Bond Insurer or of all or a substantial part of its assets, or shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due, or shall make a general assignment for the benefit of its creditors, or commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or shall file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or shall fail to convert in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against the Bond Insurer in any involuntary case under said Federal Bankruptcy Code, or shall take any other action for the purpose of effecting the foregoing; or
- (iv) If a proceeding or case shall be commenced without the application or consent of the Bond Insurer, in any court of competent jurisdiction seeking the liquidation, reorganization, dissolution, winding up or composition or readjustment of debts of the Bond Insurer or the appointment of a trustee, receiver, custodian, or liquidator or the like of the Bond Insurer or of all or a substantial part of its assets, or similar relief with respect to the Bond Insurer under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such proceeding or case shall continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of sixty (60) days from the commencement

of such proceedings or case, or any order for relief against the Bond Insurer shall be entered in an involuntary case under said Federal Bankruptcy Code;

Then and in any such event the Bond Insurer shall not be entitled to any rights specifically granted to it hereunder to consent to, approve or participate in any, actions proposed to be taken by the County, a Bondholder or any of them pursuant to this ordinance.

**SECTION 12.09. Rights of Bond Insurer.** Any provision of this ordinance expressly recognizing or granting rights in or to Bond Insurer may not be amended in any manner which affects the rights of Bond Insurer hereunder without the prior written consent of Bond Insurer.

Unless otherwise provided in this Section, Bond Insurer's consent shall be required in addition to Bondholder consent, when required, for the following purposes: (i) any amendment, supplement or change to or modification of this ordinance : (ii) removal of the Paying Agent and selection and appointment of any successor paying agent: and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent; provided, however, nothing herein shall be construed to require the consent of the Bond Insurer to an amendment or supplement to this ordinance in connection with the issuance of Additional Bonds in accordance with Section 10.02 hereof.

Any reorganization or liquidation plan with respect to the County must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Bondholders who hold Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Municipal Bond Insurance Policy insuring such Bonds.

**SECTION 12.10. Notices to Bond Insurer.** While the Municipal Bond Insurance Policy is in effect, the County shall furnish to Bond Insurer:

(a) as soon as practicable after the filing thereof, a copy of any financial statement of the County and a copy of any audit and annual report of the County;

(b) a copy of any notice to be given to the Bondholders of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this ordinance relating to the security for the Bonds; and

(c) to the extent the County has entered into a continuing disclosure agreement with respect to the Bonds, the Bond County will be included as a party to be notified; and

(d) such additional information it may reasonably request.

The County shall notify Bond Insurer of any failure of the County to provide relevant notices or certificates required to be provided under this ordinance.

The County will permit Bond Insurer to discuss the affairs, finances and accounts of the County or any information Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the County. The County will permit the Bond Insurer to have access to the System and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

Bond Insurer shall have the right to direct an accounting at the County's expense, and the County's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Bond Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Bondholder of the Bonds.

Notwithstanding any other provision of this ordinance, the County shall immediately notify Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

**SECTION 12.11. Payment Procedure Pursuant to Municipal Bond Insurance Policy.** As long as a Municipal Bond Insurance Policy shall be in full force and effect with respect to all or any portion of Bonds, the County and any Paying Agent shall comply with the payment procedures of such Municipal Bond Insurance Policy applicable to such Bonds.

**SECTION 12.12. Municipal Bond Insurance Provisions Relating to the 2003 Bonds.**  
The following provisions shall apply to the 2003 Bonds.

a. In the event that, on the second business day, and again on the business day, prior to the payment date on the 2003 Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the 2003 Bonds due on the second following or following, as the case may be, business day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same business day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

b. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Bond Insurer or its designee.

c. In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the 2003 Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

d. The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Bondholders of the 2003 Bonds as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the 2003 Bonds, the Paying Agent shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Municipal Bond Insurance Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Bond Insurer as agent for such Bondholders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Bondholders (and not as Paying Agent) in accordance with the tenor of the Municipal Bond Insurance Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Bondholders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the 2003 Bonds, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Bond Insurer as agent for such Bondholder in any legal proceeding relating to the payment of such principal and an assignment to the Bond Insurer of any of the 2003 Bonds surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Bondholders (and not as Paying Agent) in accordance with the tenor of the Municipal Bond Insurance Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Bondholders.

e. Payments with respect to claims for interest on and principal of 2003 Bonds disbursed by the Paying Agent from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the County with respect to such 2003 Bonds, and the Bond Insurer shall become the owner of such unpaid 2003 Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

f. Irrespective of whether any such assignment is executed and delivered, the County and the Paying Agent hereby agree for the benefit of the Bond Insurer that:

1. They recognize that to the extent the Bond Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the 2003 Bonds, the Bond Insurer will be subrogated to the rights of such Bondholders to receive the amount of such principal and interest from the County, with interest thereon as provided and solely from the sources stated in this ordinance and the 2003 Bonds; and

2. They will accordingly pay to the Bond Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Municipal Bond Insurance Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Ordinance and the 2003 Bonds, but only from the sources and in the

manner provided herein for the payment of principal of and interest on the 2003 Bonds to Bondholders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

g. In connection with the issuance of Additional Bonds, the County shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such Additional Bonds.

h. Copies of any amendments made to the documents executed in connection with the issuance of the 2003 Bonds which are consented to by the Bond Insurer shall be sent to S&P.

i. The Bond Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

j. The Bond Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the County's audited financial statements and Annual Budget. Any notice that is required to be given to a holder of the 2003 Bonds or to the Paying Agent pursuant to this ordinance shall also be provided to the Bond Insurer. All notices required to be given to the Bond Insurer under this ordinance shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

k. The County agrees to reimburse the Bond Insurer immediately and unconditionally upon demand, to the extent permitted by law but solely from Pledged Revenues, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Bond Insurer in connection with (i) the enforcement by the Bond Insurer of the County's obligations, or the preservation or defense of any rights of the Bond Insurer, under this ordinance and any other document executed in connection with the issuance of the 2003 Bonds, and (ii) any consent, amendment, waiver or other action with respect to this ordinance or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's prime rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Bond Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

l. The County agrees not to use Bond Insurer's name in any public document including, without limitation, a press release or presentation, announcement or forum without Bond Insurer's prior consent. In the event that the County is advised by counsel that it has a legal obligation to disclose Bond Insurer's name in any press release, public announcement or other public document, the County shall provide Bond Insurer with at least three (3) business days' prior written notice of its intent to use Bond Insurer's name together with a copy of the proposed use of Bond Insurer's name and of any description of a transaction with Bond Insurer and shall obtain Bond Insurer's prior consent as to the form and substance of the proposed use of Bond Insurer's name and any such description.

m. The County shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which 2003 Bonds are tendered or purchased for any purpose

other than the redemption and cancellation or legal defeasance of such 2003 Bonds without the prior written consent of Bond Insurer.

**SECTION 12.13. Payment Procedure With Respect to Credit Facilities on Deposit in the Debt Service Reserve Fund.** In the event that the Debt Service Reserve Fund Requirement shall be satisfied in whole or in part by the deposit of a credit facility as contemplated in Section 7.03 hereof, the County and any Paying Agent shall comply with the payment procedures of such credit facility.

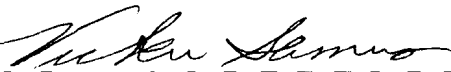
**SECTION 12.14. Continuing Disclosure.** To the extent applicable to the Bonds, the County hereby covenants and agrees to comply with the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission as shall be provided in subsequent ordinance or resolution of the County; provided, however, notwithstanding any other provision of this ordinance to the contrary, failure of the County to comply with the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission shall not be considered an Event of Default under this ordinance.

**SECTION 12.15. Repeal of Inconsistent Ordinances.** All ordinances and resolutions or parts thereof in conflict herewith are to the extent of such conflict superseded and repealed.


**SECTION 12.16. Effective Date.** This ordinance shall be effective immediately upon its enactment.

NASSAU COUNTY, FLORIDA

(SEAL)

By:   
VICKIE SAMUS  
Chairman

ATTEST:

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

Approved as to form by the  
Nassau County Attorney:

  
MICHAEL S. MULLIN

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