

86-38

**RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT
WITH AMELIA ISLAND WATERWORKS, INC.**

A RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT WITH AMELIA ISLAND WATERWORKS, INC. WITH RESPECT TO THE FINANCING OF THE CONSTRUCTION, ACQUISITION, AND EQUIPPING OF A CAPITAL PROJECT CONSISTING OF A SEWER SYSTEM AND APPURTENANCE FACILITIES IN NASSAU COUNTY, FLORIDA; THE PROPOSED ISSUANCE AND SALE OF NOT TO EXCEED \$5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF NASSAU COUNTY INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1986 (AMELIA ISLAND WATERWORKS, INC. PROJECT) FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF SAID PROJECT; AND, PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED, by the members of the Nassau County Board of County Commissioners:

SECTION 1. AUTHORITY FOR THIS RESOLUTION

This Resolution is adopted pursuant to the provisions of Chapter 125, Chapter 159, Part II (hereinafter "Act") and other applicable laws of the State of Florida.

SECTION 2. FINDINGS

It is hereby found and declared that:

(a) The Nassau County Board of County Commissioners (hereinafter "County"), is authorized and empowered by the Act to provide for the issuance and sale its Industrial Development Revenue Bonds (hereinafter "Bonds") for the purpose of paying all or any part of the cost of the sewer system expansion, including but not limited to, construction of a 700,000 gallon per day sewage treatment plant, river outfall effluent disposal system, major transmission and collection lines and appurtenant facilities (hereinafter "Project");

(b) Amelia Island Waterworks, Inc. (hereinafter "Company") has requested the County to exercise its power to issue the Bonds pursuant to the Act for the purpose of financing the Project;

(c) In order to promote the economic growth of the County and the economy of the State of Florida, to increase purchasing power and opportunities for gainful employment, to afford protection of the environment and to advance and improve the economic prosperity and general welfare of the State and its people, it is desirable that:

(1) The County provides for the issuance and sale of its Industrial Development Revenue Bonds, Series 1986 (Amelia Island Waterworks, Inc. Project), in the aggregate amount of not to exceed \$5,000,000;

(2) That the County use the proceeds thereof, to the extent of such proceeds, as follows: (i) To pay all or any part of the cost of the issuance of the bonds; (ii) To pay all or any part of the cost of the acquisition, construction, and equipping of a sewer system expansion as set forth in Section 2(a) herein; and, (iii) To pay any other "costs" (as defined in the Act) of the Project.

(3) That the County finance the Project for the Company through proceeds of the sale of its Bonds, such debt to be payable solely by the Company in installments sufficient to pay the principal of, premiums (if any), and interest and other costs due on the Bonds when and as the same may become due.

(d) It is necessary and desirable and in the best interests of the County that the County and the Company enter into a Memorandum of Agreement (hereinafter "Agreement") engaging the Company as an independent contractor of the County for the performance of the functions described therein. These functions shall include arranging for the acquisition, construction and equipping of the Project; providing, among other things, for the issuance and sale by the County of the Bonds, for the use and application of the proceeds of the issuance and sale of the Bonds to pay all or any part of the costs of the Project, to the extent of such proceeds, and for the loan of the proceeds of the Sale of the Bonds by the County to the Company pursuant to a Financing Agreement requiring the Company to pay the loan in installments sufficient to pay all the interest, principal, redemption premium (if any), and other costs due under and pursuant to the Bonds when and as the same may become due and payable; to operate, repair and maintain the project at the Company's own expense; and, to pay all of the costs incurred by the County in connection with the financing of the acquisition, construction, equipping and administration of the Project which are not paid out of the Bond proceeds or otherwise.

SECTION 3. APPROVAL OF MEMORANDUM OF AGREEMENT

In order to induce the Company to move forward with the Project in the boundaries of the County, with the resulting public benefits which flow therefrom, and to more effectively serve the purposes of the Act, the proposed Agreement to be made between the

County and the Company, in the form and with the contents presented at and filed with the Minutes of this meeting, be and the same is hereby approved.

SECTION 4. AUTHORIZATION FOR EXECUTION AND DELIVERY OF MEMORANDUM OF AGREEMENT.

The Chairman or the Vice Chairman of the Board of County Commissioners is hereby authorized and directed to execute the Memorandum of Agreement in the name and on behalf of the County, and the Secretary or Assistant Secretary is hereby authorized to attest to the same and to affix thereto the official seal of the County and the Chairman or Vice Chairman is hereby authorized to deliver the Agreement to the Company. Such officers and other officers and employees of the County are hereby authorized to execute and deliver such further agreements, instruments and documents, and to take such further action as may be necessary and desirable to effectuate and carry out the intent and purposes of the Agreement, when executed and delivered by the County.

SECTION 5. EFFECT OF RESOLUTION.

This Resolution is intended to, and shall constitute, "a Bond Resolution or some other similar official action" of the County for the purposes of Section 103(b) of the Internal Revenue Code of 1954, as amended, and the related regulations, rulings and interpretative court decisions thereunder. The County and the Company, by this Resolution, understand that the financing of the Project is dependent upon the Company receiving an allocation for the bonds to finance the Project.

SECTION 6. REPEALING CLAUSE.

All Resolutions or Orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 7. EFFECTIVE DATE

This Resolution shall take effect immediately upon approval by the Board of County Commissioners of Nassau County.

PASSED AND ADOPTED by the Board of County Commissioners of Nassau County at a duly called meeting at which a quorum was present on January 14, 1986.

BOARD OF COUNTY COMMISSIONERS
OF NASSAU COUNTY

By: *James E. Testone*
James Testone, Chairman

[SEAL]

ATTEST:

J. Mills
Secretary

LAW OFFICES

MYERS, KENIN, LEVINSON & RICHARDS

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

B. HERBERT BOATNER, JR., P. A.
F. MARSHALL DETERDING •
MARTIN S. FRIEDMAN •
CAROLE KENIN GANGUZZA
ROBERT E. HOWARD
JOHN R. JENKINS •
DAVID S. KENIN, P. A.
EDWARD E. LEVINSON
HAROLD L. LEWIS
KATHLEEN MARKEY, P. A.
PAUL M. MARMISH
RICHARD A. MORRISON
KENNETH M. MYERS, P. A.
STANLEY C. MYERS
PATRICK PATRISSE
LAWRENCE S. RIBLER
GEORGE R. RICHARDS, P. A.
R. M. C. ROSE, P. A. •
WILLIAM E. SUNDSTROM •
ILENE TEMCHIN
SYDNEY S. TRAUM, P. A.
JEFFREY WEITHORN
JAMES D. WING

BRICKELL EXECUTIVE TOWER
1428 BRICKELL AVENUE
MIAMI, FLORIDA 33131
TELEPHONE (305) 371-9041

LEON KAPLAN
(1908-1974)

TALLAHASSEE OFFICE
2544 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301
TELEPHONE (904) 877-6555

January 9, 1986

PLEASE RESPOND TO
TALLAHASSEE OFFICE

• TALLAHASSEE OFFICE

James Testone, Chairman
Nassau County Board of County
Commissioners
Post Office Box 1010
Fernandina Beach, Florida

Re: AMELIA ISLAND WATERWORKS, INC.; Application for
Industrial Development Revenue Bond to finance
sewer system expansion
Our File No. 17852.11T

Dear Chairman Testone:

Amelia Island Waterworks, Inc. (AIWI) currently owns and operates a 600,000 gallons per day (GPD) sewage collection, treatment and disposal system in East Nassau County, south of the City of Fernandina Beach in the area known as South Amelia Island. AIWI is regulated by the Florida Public Service Commission and its plant is the only utility providing sewer service to South Amelia Island.

The sewage treatment plant now operated by AIWI is steadily taking on new customers to the point that it will soon be "sold out" of capacity. By this letter Amelia Island Waterworks, Inc. requests the sponsorship of the Board of County Commissioners for the issuance of an Industrial Development Revenue Bond in an amount not to exceed approximately \$5,000,000 to finance expansion of the utility system, including a 700,000 GPD sewage treatment plant, river outfall effluent disposal system, collection and transmission lines and appurtenant facilities.

James Testone
Page Two
January 9, 1986

Background

The Utility, which is now known as Amelia Island Waterworks, Inc., was begun in the early 1970's by the Applicant's predecessor. Since 1974 the Applicant has operated a treatment plant on southern Amelia Island, which is presently permitted to discharge 600,000 GPD of secondarily treated effluent. This treatment capacity is accompanied by an effluent disposal system which initially discharges to a small irrigation lagoon, from which it is later pumped and applied to nearby golf courses. These nearby golf courses do not have the capacity to receive additional effluent beyond 600,000 GPD. Consequently, as expansion of the wastewater treatment plant becomes necessary due to continued development in the South Amelia Island area, alternative methods of effluent disposal will be required.

Since the mid-1970's when the current treatment plant was constructed, growth on Amelia Island as a whole, and South Amelia Island in particular, has resulted in the Applicant receiving constant requests from landowners, merchants and developers to provide sewer service to properties in the area. These requests have come from developers well into the permitting and construction phases of their developments. In addition, it can be expected that other individuals and businesses which come to the area in the future will also request service from AIWI.

The quality of service which the Applicant provides has earned it Florida Pollution Control Operators Association awards for best operated plant in its class in Northeast Florida on several occasions, as well as American Waterworks Safety Awards.

Method of Financing

Amelia Island Waterworks, Inc. is requesting that Nassau County act as sponsor for the issuance of an Industrial Development Revenue Bond to finance the construction of this major system expansion. Industrial Development Bonds were created for the purpose of financing and refinancing projects for the public purposes described in the Florida Industrial Development Financing Act (Chapter 159, Fla. Stat.), and for the purposes of fostering the economic development of the County. The Act includes in the definition of "Project" any capital project comprising, among other

James Testone
Page Three
January 9, 1986

things, a pollution control facility. Furthermore, wastewater disposal facilities have been designated by Executive Order of the Governor as a "priority project" with regard to allocation of limited bond funds.

Industrial Development Revenue Bond financing, or IDB's, are considered a special obligation of a governmental unit and therefore the interest on the Bond is not subject to federal income tax. The purchaser of the Bond does not need to charge the same rate as if it made a loan on a conventional basis. The lower interest cost would be passed on to the borrower, Amelia Island Waterworks, Inc. As a result of the lower cost of financing the construction, debt service paid by the Utility is lower and this savings is passed on to the customer in the form of lower rates.

Members of the Commission may be assured that approval of the issuance of an IDB will in no way affect, restrict, or pledge the faith and credit, or the taxing power, of the County. The obligation for repayment of the bonds rests solely with the Utility, through revenues derived from rates and charges. Neither the State, the County, nor any city, is responsible for repayment of the bonds, or any associated expense. The Internal Revenue Code authorizes certain types of projects, including privately owned pollution control facilities and sewer systems, to use tax exempt bonds to finance capital projects if the issue is sponsored by a political subdivision of the State. This favorable tax status is granted to such projects because they are of a nature which benefits the public as a whole, and not just the Company involved. In its capacity as sponsor, the County would be able to promote the construction of a sewer system to provide service to the public while freeing itself from the financial responsibilities which accompany such a project.

Security

The Bonds will be secured by revenues generated by the sewer system. These will include a one time service availability charge paid to the Utility in consideration for providing service to a development, residence, multi-family dwelling or commercial establishment. The balance of the revenues will be derived from the rates paid on a month-to-month basis by users of the system. In addition, all physical assets of the plant, including collection and transmission systems, wastewater treatment plant, effluent disposal systems, and all appurtenant facilities necessary to the provision of sewer service, including intangible assets such

James Testone
Page Four
January 9, 1986

as state, local and federal permits and approvals, will be held as security for the bondholders. The water utility system owned and operated by the Company will also be held out as security for the bondholders.

Benefit to the Community

The proposed project is capable of producing tangible economic benefits in the form of new employment, the preservation of existing employment and new capital investment in Nassau County. The traditional bases of the economy in the area, including construction, land development, and tourism depend upon whether the infrastructure needs of new development are met.

Housing is generally recognized as the primary beneficiary of an available utility infrastructure. The provision of adequate, affordable housing will be a necessary response to the anticipated population growth, including tourism. In addition, a number of jobs in the areas of construction, engineering, and operation of the utility system will become available as a direct result of a major utility expansion project. With the utility infrastructure in place, further employment opportunities will open up as the anticipated growth prompts development which, in turn, spurs activity in local commercial markets and related support services.

An expansion of the AIWI system in concert with the growth anticipated in the area will enable development to proceed in an orderly fashion, which development contributes to the ad valorem tax base in the County. The inability to provide utility service in the South Amelia Island area would prevent development and limit County revenues which benefit all of the residents of Nassau County.

From an environmental standpoint, an expanded central utility system will help avoid the development of septic tanks and package plants in the area, thereby eliminating source points of pollution. This may contribute substantially towards compliance with Comprehensive Plan restrictions, the Coastal Zone Protection Act recently passed, and other environmental laws.

James Testone
Page Five
January 9, 1986

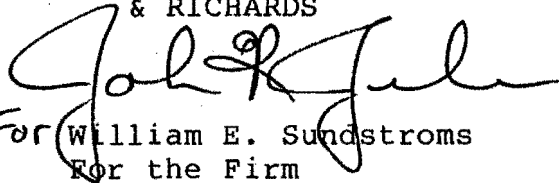
Proposal

The County is provided by law with the authority to provide funding for the construction of wastewater collection, treatment, and disposal systems within the County. This has been done in a number of jurisdictions throughout the State. It is the request of AIWI that the project outlined above be considered for sponsorship by the County, that an Inducement Resolution be passed, and that the County Staff be instructed to work with representatives of the Utility to get this project under way.

Your attention to this matter is appreciated.

Sincerely,

MYERS, KENIN, LEVINSON
& RICHARDS


For William E. Sundstroms
For the Firm

WES:tm

cc: Michael S. Mullin, Esquire

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into by and between the **BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY**, a political subdivision of the State of Florida (hereinafter "County"), and **AMELIA ISLAND WATERWORKS, INC.**, a Florida corporation (hereinafter "Company").

1. **Preliminary Statement.** Among the matters of mutual inducement which have resulted in the execution of this Memorandum of Agreement are as follows:

(a) The County is a political subdivision of the State of Florida and is empowered to enter into this Memorandum of Agreement and to provide for the issuance and sale of Industrial Development Revenue Bonds, pursuant to the provisions of Chapters 125 and 159, Fla. Stat., as amended; and is a political subdivision of a state within the meaning of Section 103(a)(1) of the Internal Revenue Code of 1954, as amended (hereinafter "Code"), and within the meaning of the applicable regulations under the Code.

(b) The Company, a corporation duly organized and existing under the laws of the State of Florida, has informed the Authority of its desire to acquire certain land, construct buildings, and purchase equipment to be used to expand its utility system through the construction of a 700,000 gallons per day (GPD) sewage treatment plant, river outfall effluent disposal system, major transmission and collection lines and appurtenant facilities for the benefit of the Company (hereinafter "Project").

(c) The Company proposes to construct the Project (the "Acquisition") within the geographic boundaries of Nassau County pursuant to this Agreement.

(d) The County and the Company expect that the Project will cost not in excess of \$5,000,000, inclusive of interest during the period of construction, underwriting discounts or commissions, legal, accounting, financing and printing expenses and all other costs.

(e) The Company has requested that the County enter into this Memorandum of Agreement for the purpose of declaring the County's intention to exercise its powers to issue Industrial Development Revenue Bonds (hereinafter "Bonds") pursuant to Chapter 159, Part II, Fla. Stat., (hereinafter "Act"), for the purpose of financing the Project.

(f) The Company has represented that it has not financed the Project, that it has not commenced the Acquisition of the Project, and that it is desirable that the Company proceed with the Acquisition immediately.

(g) This Memorandum of Agreement is entered into to induce the Company to proceed with the Acquisition of the Project and to incur costs in connection with various phases of the Project and to insure the Company, prior to the issuance of the Bonds of the County, that the County will, in accordance with and subject to the provisions of applicable Florida law and this Memorandum of Agreement, issue the Bonds to cover costs so incurred by the Company in connection with the Project, including costs incurred by the Company prior to the issuance of the Bonds; provided, however, that in no event shall the County be liable or responsible to the Company for any damages or for reimbursement of any costs referred to above, if the transactions contemplated hereunder are not consummated, unless expressly agreed to in writing by the County.

2. Undertakings on the Part of the County. In accordance with applicable Florida law, the County agrees as follows:

(a) That it will authorize and provide for the issuance and sale of one or more issues of Bonds in an aggregate principal amount not exceeding \$5,000,000. That it will finance the Project for the Company from proceeds of the sale of the Bonds, such loan payable by the Company in installments sufficient to pay the principal of, premium (if any), and interest and other costs due on the Bonds when and as the same may become due.

(b) That the County use the proceeds thereof, to the extent of such proceeds, as follows: (i) To pay all or any part of the cost of the issuance of the bonds; (ii) To pay all or any part of the cost of the acquisition, construction, and equipping of a sewer system expansion; and, (iii) To pay any other "costs" (as defined in the Act) of the Project.

(c) The County has preliminarily determined that the Acquisition of the Project by the Company will make a significant contribution to the economic growth of the County, shall provide gainful employment and shall serve a public purpose by advancing the economic prosperity and general welfare of the County and State that the Company is financially responsible and fully capable and willing to fulfill its obligations under the proposed financing agreement, including the obligation to make installment payments on the loan for the Project financed with the proceeds of the sale of the Bonds in the amount and at the times required; the obligation to operate, repair and maintain such Project at its own expense; and, to serve the purposes of the Act and other responsibilities to be imposed under the Financing Agreement.

(d) That it will, at the proper time, after consultation with the Company, adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for

the authorization, sale and issuance of the Bonds and the Acquisition of the Project, all as more fully set forth in the Bond Documents and provide all necessary further assurances in connection thereto.

(e) The Bonds shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such form and denominations, shall be sold in such manner subject to the provisions of Section 218.385 of the Florida Statutes, as amended, and at such time or times, shall have such provisions for redemption, shall be executed and shall be secured as hereafter may be requested by the Company and agreed to by the County, all on terms mutually satisfactory to the County and the Company.

3. Undertakings on the part of the Company. Subject to the conditions hereinafter stated, the Company agrees as follows:

(a) That it will generally arrange for, manage and carry out the Acquisition of the Project in accordance with the Agreement.

(b) That it will cooperate with the County in making arrangements for the sale and issuance of the Bonds in an aggregate principal amount not exceeding \$5,000,000.

(c) That the Bonds will be secured solely by the obligations of the Company and shall and will be payable from the revenues and proceeds derived from the Project including, but not limited to, (i) service availability charges generated by the sewer system paid to the Company in consideration for providing service to developments, residences, multi-family dwellings, or commercial establishments; and, (ii) revenues derived from rates paid on a month to month basis by users of the system. The Bonds will not constitute a debt, liability or obligation of the County, the State of Florida or any political subdivision thereof. The County shall not be obligated to pay the same nor interest, premiums (if any), or costs thereon and neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof will be pledged to the payment of the principal, premiums (if any), interest, or costs due pursuant to or under the Bonds.

(d) That contemporaneously with the delivery of the Bonds the Company will enter into such financing arrangements, indentures, guarantees, promissory notes and related agreements as shall be necessary or appropriate so that the Company will be obligated to pay sums sufficient in the aggregate to pay the principal of, the redemption premium, if any, and interest on the Bonds when and as the same shall become due and payable and as

shall be necessary or appropriate to provide credit facilities or other arrangements to protect the holders of the Bonds in the event of a default.

(e) Within 15 days of request therefor by the County, but in any event prior to enactment by the County of any ordinance or resolution for the purposes of authorizing the sale and awarding the Bonds, the Company shall provide to the County a schedule of all fees to be paid or reimbursed from the proceeds thereof.

(f) That the Company will take such further action and adopt such proceedings, and provide the necessary further assurances, as may be required to implement its undertakings hereunder.

4. General Provisions.

(a) All commitments of the County and of the Company pursuant to this Memorandum of Agreement are subject to the condition that on or before 365 days from the date hereof (or such later date as shall be mutually satisfactory to the County and the Company), the County and the Company shall have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof, and mutually acceptable terms and conditions for the financing arrangements and other agreements referred to herein. Notwithstanding any other provision, express or implied, contained herein, the issuance, sale and delivery of the Bonds and the participation by the County in the Project and the financing thereof shall be subject to a determination by the County Commission, by and through a resolution or ordinance that the agreement by the County to the terms and conditions of the transactions contemplated hereunder and the issuance of Bonds are in the best interest of the County.

(b) This Agreement shall be governed by the laws of the State of Florida.

6. Effective Dates. This Memorandum of Agreement shall take effect upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Agreement by their officers thereunto duly authorized as of the 14th day of January, 1986.

BOARD OF COUNTY COMMISSIONERS OF
NASSAU COUNTY, FLORIDA

By:

James E. Testone
James Testone, Chairman

Attest:

J. Freeman

[SEAL]

Approved by the County Attorney
as to Form and Legal Sufficiency:

Michael S. Mullin
Michael S. Mullin
Nassau County Attorney

AMELIA ISLAND WATERWORKS, INC.

By:

Martin Zeller, President

Attest:

Richard Eisenman
Secretary

MEMORANDUM OF AGREEMENT

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1. **Preliminary Statement.** Among the matters of mutual inducement which have resulted in the execution of this Memorandum of Agreement are as follows:

(a) The County is a political subdivision of the State of Florida and is empowered to enter into this Memorandum of Agreement and to provide for the issuance and sale of Industrial Development Revenue Bonds, pursuant to the provisions of Chapters 125 and 159, Fla. Stat., as amended; and is a political subdivision of a state within the meaning of Section 103(a)(1) of the Internal Revenue Code of 1954, as amended (hereinafter "Code"), and within the meaning of the applicable regulations under the Code.

(b) The Company, a corporation duly organized and existing under the laws of the State of Florida, has informed the Authority of its desire to acquire certain land, construct buildings, and purchase equipment to be used to expand its utility system through the construction of a 700,000 gallons per day (GPD) sewage treatment plant, river outfall effluent disposal system, major transmission and collection lines and appurtenant facilities for the benefit of the Company (hereinafter "Project").

(c) The Company proposes to construct the Project (the "Acquisition") within the geographic boundaries of Nassau County pursuant to this Agreement.

(d) The County and the Company expect that the Project will cost not in excess of \$5,000,000, inclusive of interest during the period of construction, underwriting discounts or commissions, legal, accounting, financing and printing expenses and all other costs.

(e) The Company has requested that the County enter into this Memorandum of Agreement for the purpose of declaring the County's intention to exercise its powers to issue Industrial Development Revenue Bonds (hereinafter "Bonds") pursuant to Chapter 159, Part II, Fla. Stat., (hereinafter "Act"), for the purpose of financing the Project.

(f) The Company has represented that it has not financed the Project, that it has not commenced the Acquisition of the Project, and that it is desirable that the Company proceed with the Acquisition immediately.

(g) This Memorandum of Agreement is entered into to induce the Company to proceed with the Acquisition of the Project and to incur costs in connection with various phases of the Project and to insure the Company, prior to the issuance of the Bonds of the County, that the County will, in accordance with and subject to the provisions of applicable Florida law and this Memorandum of Agreement, issue the Bonds to cover costs so incurred by the Company in connection with the Project, including costs incurred by the Company prior to the issuance of the Bonds; provided, however, that in no event shall the County be liable or responsible to the Company for any damages or for reimbursement of any costs referred to above, if the transactions contemplated hereunder are not consummated, unless expressly agreed to in writing by the County.

2. Undertakings on the Part of the County. In accordance with applicable Florida law, the County agrees as follows:

(a) That it will authorize and provide for the issuance and sale of one or more issues of Bonds in an aggregate principal amount not exceeding \$5,000,000. That it will finance the Project for the Company from proceeds of the sale of the Bonds, such loan payable by the Company in installments sufficient to pay the principal of, premium (if any), and interest and other costs due on the Bonds when and as the same may become due.

(b) That the County use the proceeds thereof, to the extent of such proceeds, as follows: (i) To pay all or any part of the cost of the issuance of the bonds; (ii) To pay all or any part of the cost of the acquisition, construction, and equipping of a sewer system expansion; and, (iii) To pay any other "costs" (as defined in the Act) of the Project.

(c) The County has preliminarily determined that the Acquisition of the Project by the Company will make a significant contribution to the economic growth of the County, shall provide gainful employment and shall serve a public purpose by advancing the economic prosperity and general welfare of the County and State that the Company is financially responsible and fully capable and willing to fulfill its obligations under the proposed financing agreement, including the obligation to make installment payments on the loan for the Project financed with the proceeds of the sale of the Bonds in the amount and at the times required; the obligation to operate, repair and maintain such Project at its own expense; and, to serve the purposes of the Act and other responsibilities to be imposed under the Financing Agreement.

(d) That it will, at the proper time, after consultation with the Company, adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for

the authorization, sale and issuance of the Bonds and the Acquisition of the Project, all as more fully set forth in the Bond Documents and provide all necessary further assurances in connection thereto.

(e) The Bonds shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such form and denominations, shall be sold in such manner subject to the provisions of Section 218.385 of the Florida Statutes, as amended, and at such time or times, shall have such provisions for redemption, shall be executed and shall be secured as hereafter may be requested by the Company and agreed to by the County, all on terms mutually satisfactory to the County and the Company.

3. Undertakings on the part of the Company. Subject to the conditions hereinafter stated, the Company agrees as follows:

(a) That it will generally arrange for, manage and carry out the Acquisition of the Project in accordance with the Agreement.

(b) That it will cooperate with the County in making arrangements for the sale and issuance of the Bonds in an aggregate principal amount not exceeding \$5,000,000.

(c) That the Bonds will be secured solely by the obligations of the Company and shall and will be payable from the revenues and proceeds derived from the Project including, but not limited to, (i) service availability charges generated by the sewer system paid to the Company in consideration for providing service to developments, residences, multi-family dwellings, or commercial establishments; and, (ii) revenues derived from rates paid on a month to month basis by users of the system. The Bonds will not constitute a debt, liability or obligation of the County, the State of Florida or any political subdivision thereof. The County shall not be obligated to pay the same nor interest, premiums (if any), or costs thereon and neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof will be pledged to the payment of the principal, premiums (if any), interest, or costs due pursuant to or under the Bonds.

(d) That contemporaneously with the delivery of the Bonds the Company will enter into such financing arrangements, indentures, guarantees, promissory notes and related agreements as shall be necessary or appropriate so that the Company will be obligated to pay sums sufficient in the aggregate to pay the principal of, the redemption premium, if any, and interest on the Bonds when and as the same shall become due and payable and as

shall be necessary or appropriate to provide credit facilities or other arrangements to protect the holders of the Bonds in the event of a default.

(e) Within 15 days of request therefor by the County, but in any event prior to enactment by the County of any ordinance or resolution for the purposes of authorizing the sale and awarding the Bonds, the Company shall provide to the County a schedule of all fees to be paid or reimbursed from the proceeds thereof.

(f) That the Company will take such further action and adopt such proceedings, and provide the necessary further assurances, as may be required to implement its undertakings hereunder.

4. General Provisions.

(a) All commitments of the County and of the Company pursuant to this Memorandum of Agreement are subject to the condition that on or before 365 days from the date hereof (or such later date as shall be mutually satisfactory to the County and the Company), the County and the Company shall have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof, and mutually acceptable terms and conditions for the financing arrangements and other agreements referred to herein. Notwithstanding any other provision, express or implied, contained herein, the issuance, sale and delivery of the Bonds and the participation by the County in the Project and the financing thereof shall be subject to a determination by the County Commission, by and through a resolution or ordinance that the agreement by the County to the terms and conditions of the transactions contemplated hereunder and the issuance of Bonds are in the best interest of the County.

(b) This Agreement shall be governed by the laws of the State of Florida.

6. **Effective Dates.** This Memorandum of Agreement shall take effect upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Agreement by their officers thereunto duly authorized as of the 14th day of January, 1986.

BOARD OF COUNTY COMMISSIONERS OF
NASSAU COUNTY, FLORIDA

By: _____
James Testone, Chairman

[SEAL]

Attest: _____

Approved by the County Attorney
as to Form and Legal Sufficiency:

Michael S. Mullin
Nassau County Attorney

AMELIA ISLAND WATERWORKS, INC.

By: _____
Martin Zeller, President

Attest: _____
Richard Eisenman
Secretary

**RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT
WITH AMELIA ISLAND WATERWORKS, INC.**

A RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT WITH AMELIA ISLAND WATERWORKS, INC. WITH RESPECT TO THE FINANCING OF THE CONSTRUCTION, ACQUISITION, AND EQUIPPING OF A CAPITAL PROJECT CONSISTING OF A SEWER SYSTEM AND APPURTENANCE FACILITIES IN NASSAU COUNTY, FLORIDA; THE PROPOSED ISSUANCE AND SALE OF NOT TO EXCEED \$5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF NASSAU COUNTY INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1986 (AMELIA ISLAND WATERWORKS, INC. PROJECT) FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF SAID PROJECT; AND, PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED, by the members of the Nassau County Board of County Commissioners:

SECTION 1. AUTHORITY FOR THIS RESOLUTION

This Resolution is adopted pursuant to the provisions of Chapter 125, Chapter 159, Part II (hereinafter "Act") and other applicable laws of the State of Florida.

SECTION 2. FINDINGS

It is hereby found and declared that:

(a) The Nassau County Board of County Commissioners (hereinafter "County"), is authorized and empowered by the Act to provide for the issuance and sale its Industrial Development Revenue Bonds (hereinafter "Bonds") for the purpose of paying all or any part of the cost of the sewer system expansion, including but not limited to, construction of a 700,000 gallon per day sewage treatment plant, river outfall effluent disposal system, major transmission and collection lines and appurtenant facilities (hereinafter "Project");

(b) Amelia Island Waterworks, Inc. (hereinafter "Company") has requested the County to exercise its power to issue the Bonds pursuant to the Act for the purpose of financing the Project;

(c) In order to promote the economic growth of the County and the economy of the State of Florida, to increase purchasing power and opportunities for gainful employment, to afford protection of the environment and to advance and improve the economic prosperity and general welfare of the State and its people, it is desirable that:

(1) The County provides for the issuance and sale of its Industrial Development Revenue Bonds, Series 1986 (Amelia Island Waterworks, Inc. Project), in the aggregate amount of not to exceed \$5,000,000;

(2) That the County use the proceeds thereof, to the extent of such proceeds, as follows: (i) To pay all or any part of the cost of the issuance of the bonds; (ii) To pay all or any part of the cost of the acquisition, construction, and equipping of a sewer system expansion as set forth in Section 2(a) herein; and, (iii) To pay any other "costs" (as defined in the Act) of the Project.

(3) That the County finance the Project for the Company through proceeds of the sale of its Bonds, such debt to be payable solely by the Company in installments sufficient to pay the principal of, premiums (if any), and interest and other costs due on the Bonds when and as the same may become due.

(d) It is necessary and desirable and in the best interests of the County that the County and the Company enter into a Memorandum of Agreement (hereinafter "Agreement") engaging the Company as an independent contractor of the County for the performance of the functions described therein. These functions shall include arranging for the acquisition, construction and equipping of the Project; providing, among other things, for the issuance and sale by the County of the Bonds, for the use and application of the proceeds of the issuance and sale of the Bonds to pay all or any part of the costs of the Project, to the extent of such proceeds, and for the loan of the proceeds of the Sale of the Bonds by the County to the Company pursuant to a Financing Agreement requiring the Company to pay the loan in installments sufficient to pay all the interest, principal, redemption premium (if any), and other costs due under and pursuant to the Bonds when and as the same may become due and payable; to operate, repair and maintain the project at the Company's own expense; and, to pay all of the costs incurred by the County in connection with the financing of the acquisition, construction, equipping and administration of the Project which are not paid out of the Bond proceeds or otherwise.

SECTION 3. APPROVAL OF MEMORANDUM OF AGREEMENT

In order to induce the Company to move forward with the Project in the boundaries of the County, with the resulting public benefits which flow therefrom, and to more effectively serve the purposes of the Act, the proposed Agreement to be made between the

County and the Company, in the form and with the contents presented at and filed with the Minutes of this meeting, be and the same is hereby approved.

SECTION 4. AUTHORIZATION FOR EXECUTION AND DELIVERY OF MEMORANDUM OF AGREEMENT.

The Chairman or the Vice Chairman of the Board of County Commissioners is hereby authorized and directed to execute the Memorandum of Agreement in the name and on behalf of the County, and the Secretary or Assistant Secretary is hereby authorized to attest to the same and to affix thereto the official seal of the County and the Chairman or Vice Chairman is hereby authorized to deliver the Agreement to the Company. Such officers and other officers and employees of the County are hereby authorized to execute and deliver such further agreements, instruments and documents, and to take such further action as may be necessary and desirable to effectuate and carry out the intent and purposes of the Agreement, when executed and delivered by the County.

SECTION 5. EFFECT OF RESOLUTION.

This Resolution is intended to, and shall constitute, "a Bond Resolution or some other similar official action" of the County for the purposes of Section 103(b) of the Internal Revenue Code of 1954, as amended, and the related regulations, rulings and interpretative court decisions thereunder. The County and the Company, by this Resolution, understand that the financing of the Project is dependent upon the Company receiving an allocation for the bonds to finance the Project.

SECTION 6. REPEALING CLAUSE.

All Resolutions or Orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 7. EFFECTIVE DATE

This Resolution shall take effect immediately upon approval by the Board of County Commissioners of Nassau County.

PASSED AND ADOPTED by the Board of County Commissioners of Nassau County at a duly called meeting at which a quorum was present on January 14, 1986.

BOARD OF COUNTY COMMISSIONERS
OF NASSAU COUNTY

By: James Testone, Chairman

[SEAL]

ATTEST:

Secretary



STATE OF FLORIDA
DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES

January 6, 1986

John A. Welsh
Utility Director
P.O. Box 907
Fernandina Beach, Florida 32034

Dear Mr. Welsh:

Thank you for the hospitality shown to our staff on December 31, 1985, when you allowed a tour of your plant as a training session for a new staff member.

We like to use your facility as a part of our training process because of the cooperation and helpfulness shown by your staff. Also, we have always found the facility to be well maintained and operated.

Please let us know if we can be of assistance to you.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Dolvin Foreman'.

Dolvin Foreman
Environmental Health Director

cc: N. G. Lund, M. D.
Sylvia Pendleton

RECEIVED
JAN 10 1986
AMELIA ISLAND
WATER WORKS CO., INC.

NASSAU COUNTY HEALTH DEPARTMENT
DISTRICT FOUR P.O. BOX 494
4th & ASH STREET FERNANDINA BEACH, FLORIDA 32034
(904) 261-6191

BOB GRAHAM, GOVERNOR



Amelia Island Waterworks Inc.

P O Box 907
Fernandina Beach, Fla 32034
(904) 261-0821



J.J.

M E M O R A N D U M

TO: John A. Holzberg

Date: August 27, 1980

FROM: Duke L. Groen

REF: Amelia Island Waterworks
" Best Water Plant" - 2nd year

Page 13-A NEWS-LEADER, August 27, 1980

Water Plant Voted Best In Class

The Amelia Island Waterworks was selected as best operated plant in its class for a second year in a row, J.J. Welsh, utility operation manager announced this week.

Welsh was advised of the recognition in a letter from the state of Florida Department of Environmental Regulation. The letter states Amelia Island Waterworks will be presented an award for being the best "C" water

treatment plant for the year 1979 in the St. Johns River Subdistrict of 19 counties in the North Florida area.

The plant services the area from the city limits on South Fletcher south, the Amelia Island Plantation, and the South end of the island. The Class "C" plant has been in operation since 1973.

Duke Groen, general manager of A.I.W.I., said the community is fortunate to have people such as Welsh

and his staff that are so dedicated to providing the best service and facilities to customers. The award is the second consecutive Class "C" received by the plant.

The Plant will officially receive the award at an awards banquet in September at the University of Florida, says Jerry A. Owens, P.E., representing the North Florida District, Department of Environmental Regulations.



Pictured left to right during award presentation ceremonies Monday are Doivin Foreman, Nassau County Health Department; Jerry Owen, Department of Environmental Regulations engineer; Duke Groen, Amelia Island Water Works administrator; J.J. Welsh, operating manager; and Larry Krestalude, Department of Environmental Regulations engineer.

Amelia Island Waterworks Selected As Best Facility In Northeast Florida

Years of hard work and attention to detail paid off last week for Amelia Island Waterworks, Inc. staffers when the 2 million gallon per day water treatment facility was selected by the Florida Department of Environmental Regulation (DER) as the best Class C facility in Northeast Florida.

The coveted award was presented to Amelia Island Waterworks, Inc. for outstanding water quality and operational excellence. The Amelia treatment facility was selected for the award from a 19-county area which includes Jacksonville.

DER ranks water treatment plants from A to D,

according to size. Only three such awards have been given this year, a Class A award to Gainesville, a Class B award to Jacksonville and a Class C award to the Amelia Island plant. Last year's Class C winner was St. Augustine Shores.

Amelia Island Waterworks, Inc. was organized in 1972 and serves an area from the Fernandina Beach city limits at south Fletcher to the south southernmost boundary of Amelia Island, a total of 770 water connections and approximately 2,500 customers. An additional 75-100 new customers are expected within the next few months, including a new convention center at Amelia Island Plantation.

Waterworks personnel include Operating Manager, J.J. Welsh; Lead Operator and Field Supervisor, Glenn Holeves; Operator Trainees and Field Technicians, Jerry Wright, Mark Stafford and Danny White; Office Manager and Bookkeeper, Marla Douglas and Accounting-Bookkeeper Secretary, Robin Hatchett.

"Like all other utilities, we have our problems, but the personnel we employ are very versatile which enables us to operate and serve our customers effectively," said Amelia Island Waterworks, Inc. Administrator Duke Groen.