

RESOLUTION NO. 2000- 94

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AUTHORIZING ISSUANCE OF THE REVENUE NOTE, SERIES 2000 OF THE COUNTY AND THE EXECUTION AND DELIVERY OF THE ATTACHED LOAN AGREEMENT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 BETWEEN THE COUNTY AND SUNTRUST BANK FOR THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF A NEW JAIL, A NEW COURTHOUSE, RENOVATION TO THE EXISTING COURTHOUSE, NORTH END MARINE PARK, AND CERTAIN ROAD IMPROVEMENTS; ACCEPTING THE PROPOSAL OF SUNTRUST BANK.; APPROVING THE FORM OF LOAN AGREEMENT AND NOTE EVIDENCING SUCH FINANCING; PROVIDING FOR THE PAYMENT OF SUCH NOTE FROM THE NON-AD VALOREM FUNDS OF THE COUNTY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is enacted pursuant to the provisions of Chapter 125, Florida Statutes; and other applicable provisions of law.

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

A. Nassau County, Florida (the "County") was provided with a commitment from SunTrust Bank (the "Bank") to provide the County with the necessary financing (the "Loan") for the acquisition and construction of a new jail, a new courthouse, renovation to the existing courthouse, construction of the North End Marine Park, and certain road improvements (the "Project"). The commitment of the Bank is attached hereto as Exhibit A (the "Commitment"). The acceptance of the Commitment is hereby determined to be in the best financial interest of the County.

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

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

SECTION 3. AUTHORIZING AND AWARD OF NOTE. The issuance by the County of not exceeding \$20,000,000 principal amount Revenue Note, Series 2000 (the "Note") of the County, for the purpose above; to be dated, to bear interest at a rate or rates not exceeding the maximum legal rate per annum, to be payable, to mature, to be subject to redemption and to have such other characteristics as shall be provided in the form of the loan agreement attached; and to be secured by a covenant of the County to budget and appropriate from legally available non-ad valorem funds each year monies sufficient to pay the principal and interest on such Note, is hereby authorized. The sale of the Note to the Bank is hereby authorized.

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

SECTION 5. APPROVAL OF FORM OF LOAN AGREEMENT AND NOTE. The form of the Loan Agreement and the Note attached thereto as an exhibit are hereby approved and the Chairman or Vice Chairman of the Board of County Commissioners and the Clerk of the County are hereby authorized to execute and deliver such instruments and to take such other actions as shall be necessary to implement the Loan.

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

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

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

PASSED AND ADOPTED this 15th day of May, 2000.

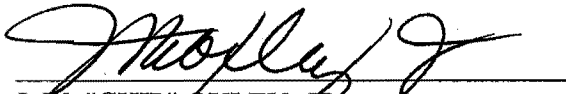
**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**



NICK D. DEONAS

Its: Chairman

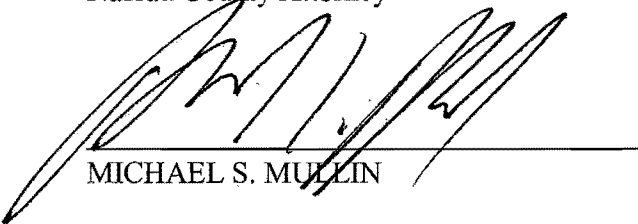
ATTEST:



J. M. "CHIP" OXLEY, JR.

Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

Exhibit A

***Nassau County
2nd Revision to Commitment
Terms and Conditions
May 10, 2000***

***Borrower/
Issuer:***

Nassau County, Florida

Bank:

SunTrust Bank

Amount:

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

Maturity:

1) Up to one year from closing.

2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of date of issuance.

2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

Purpose:

To provide interim (bond anticipation note) and permanent financing for the construction of a new jail, new courthouse, renovation to existing courthouse and provide for road improvements.

Security:

1) Long term Bond takeout financing.

1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

Rate/Fees: 1) *Non bank qualified tax exempt floating rate of 65% of Bank's Prime Rate. As of 5/10/00, this rate was 5.85%. The Prime Rate on 5/10/00 was 9.00%.*

2) *37.5 basis points annual fee
\$100 draw fee for each request*

Closing Date: *On or before May 30, 2000.*

Acceptance: *This Commitment to Nassau County will expire on May 17, 2000. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.*

Conditions: A) *Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be prepared by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the preparation shall not exceed for the:*

- 1) *Line of Credit - \$7,000 plus expenses,*
- 2) *Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.*

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

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

D) *With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to*

provide the Bank with the same after tax yield.

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

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.

G) The Borrower/Issuer may secure additional parity debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

H) Debt Service Reserve:

1) Line of Credit - none,

2) Letter of Credit - The Issuer agrees to establish a Debt Service Reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes Enterprise Funds).

J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

M) Borrower/Issuer shall represent that all computer systems are

performing accurately and without interruption date-sensitive functions for any and all dates before, during and/or after January 1, 2000.

Ratings: *Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:*

<u>SunTrust</u>	<u>Moody's</u>	<u>S&P</u>
Short-term	P-1	A-1+
Long-term	AA3	AA-
VRDB*	VMIG 1	

** The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.*

Respectfully submitted this 10th day of May, 2000
SunTrust Bank

By: _____
Bruce L. Barefoot
Senior Vice President

Agreed to and accepted this _____ day of _____, 2000
Board of County Commissioners
Nassau County, Florida

By: _____
Its: Chairman

Attest:

Approved as to form by the
Nassau County Attorney:

J.M. "Chip" Oxley, Jr.
Its: Ex-Officio Clerk

Michael S. Mullin