

RESOLUTION NO. 2001-160

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, SUPPLEMENTING RESOLUTION 2001-159 OF THE COUNTY; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$6,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF OPTIONAL GAS TAX REVENUE REFUNDING BONDS, SERIES 2001, IN ORDER TO REFUND NASSAU COUNTY'S OPTIONAL GAS TAX REVENUE REFUNDING BONDS, SERIES 1992; PROVIDING CERTAIN TERMS AND DETAILS OF SUCH BONDS, INCLUDING AUTHORIZING A NEGOTIATED SALE OF SAID BONDS AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT THERETO UPON COMPLIANCE WITH CERTAIN PARAMETERS; APPOINTING THE ESCROW AGENT, PAYING AGENT AND REGISTRAR WITH RESPECT TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO AND RATIFYING THE USE OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) On November 19, 2001, the Board of County Commissioners of Nassau County, Florida (the "Issuer") duly adopted its Resolution No. 2001-159 (the "Bond Resolution"), amending, restating and supplementing in its entirety Resolution No. 88-28 of the Issuer, as previously amended and supplemented (the "Original Resolution"), authorizing the issuance of the Issuer's Optional Gas Tax Revenue Bonds.

(B) The Original Resolution authorized, among other things, the issuance of the Issuer's Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds") and its Optional Gas Tax Revenue Bonds, Series 2000 (the "Series 2000 Bonds").

(C) The Bond Resolution provides for the issuance of Additional Parity Bonds for purposes of refunding Bonds issued under the Original Resolution, upon meeting the requirements set forth in the Bond Resolution.

(D) The Issuer deems it to be in the best interests of its citizens and taxpayers to issue its Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Series 2001 Bonds") for the purpose of refunding the Series 1992 Bonds.

(E) For the payment of said Series 1992 Bonds, the Issuer shall, as provided herein, deposit part of the proceeds derived from the sale of the Series 2001 Bonds in an irrevocable trust fund (the "Escrow Fund") which, together with other moneys deposited therein, shall be sufficient, at the time of such deposit, to pay and redeem the Series 1992 Bonds on March 1, 2002, as provided in this Resolution and the Escrow Deposit Agreement (the "Escrow Agreement") between the Issuer and The Bank of New York (the "Escrow Agent").

(F) Except as expressly amended hereby, the covenants, pledges and conditions in the Bond Resolution shall be applicable to the Series 2001 Bonds herein authorized to the same extent as the Series 2000 Bonds, and said Series 2001 Bonds shall constitute "Bonds" within the meaning of the Bond Resolution.

(G) The principal of and interest on the Series 2001 Bonds and all required sinking fund, reserve and other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds, as provided in the Bond Resolution. The Series 2001 Bonds shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, nor the Issuer shall be obligated (1) to exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of the Series 2001 Bonds, the interest thereon, or other costs incidental thereto or (2) to pay the same from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Bond Resolution.

(H) Due to the present volatility of the market for tax-exempt obligations such as the Series 2001 Bonds, it is in the best interest of the Issuer to sell the Series 2001 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2001 Bonds. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2001 Bonds. A copy of the letter of the underwriters for said Series 2001 Bonds containing the aforementioned information is a condition precedent to the execution and delivery by the Issuer of the Purchase Contract referred to below.

(I) SunTrust Capital Markets, Inc. , on behalf of itself, A.G. Edwards & Sons, Inc. and First Union National Bank (collectively, the "Underwriters") expects to offer to purchase the entire aggregate principal amount of the Series 2001 Bonds from the Issuer and submit a Purchase Contract in the form attached hereto as Exhibit A (the "Purchase Contract") expressing the terms of such offer, and, assuming compliance with the provisions of Section 7 hereof, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that the terms expressed in the Purchase Contract be accepted by the Issuer.

(J) The Bond Resolution establishes a Reserve Account as security for the Bonds, and requires that an amount equal to the Reserve Account Requirement be on deposit therein. The Bond Resolution provides that, in lieu of the required deposits into the Reserve Account, the Issuer may cause to be deposited therein a Reserve Account insurance policy or letter of credit.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to Section 6.06 of the Bond Resolution, the provisions of the Act (as defined in the Bond Resolution) and other applicable provisions of law. When used in this Supplemental Resolution, the terms defined in the Bond Resolution shall have the meanings therein stated, except as set forth below.

SECTION 3. DEFINITIONS. The following terms shall have the meanings as set forth below. To the extent such definitions conflict with definitions set forth in the Bond Resolution, the Bond Resolution shall be deemed amended hereby.

"Insurer" shall mean, with respect to the Series 2001 Bonds, Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

SECTION 4. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2001 BONDS. The Issuer hereby determines to issue a Series of Bonds in an aggregate principal amount of not exceeding \$6,000,000, to be known as "Optional Gas Tax Revenue Refunding Bonds, Series 2001," for the principal purpose of refunding the Refunded Bonds.

The Series 2001 Bonds shall be dated December 1, 2001; shall bear interest at the rates set forth in the Purchase Contract executed as authorized hereby; shall be issued as fully registered Bonds, numbered consecutively from one upward in order of maturity with the prefix "R"; and shall consist of such amounts of Serial Bonds and Term Bonds, maturing in such years and amounts and payable on such dates as set forth in said Purchase Contract; and shall contain such redemption provisions as set forth in said Purchase Contract. The Series 2001 Bonds shall be issued in denominations of \$5,000 and any integral multiple thereof.

SECTION 5. BOOK-ENTRY SYSTEM OF REGISTRATION. The Series 2001 Bonds are hereby designated as being issued in book entry only form. The Depository Trust Company is hereby designated as securities depository for the Series 2001 Bonds. The Chairman and Clerk are hereby authorized to enter into any agreement which may be necessary to affect the transactions contemplated by this Section.

SECTION 6. APPLICATION OF SERIES 2001 BOND PROCEEDS. The proceeds derived from the sale of the Series 2001 Bonds, including accrued interest, shall, simultaneously with the delivery of the Series 2001 Bonds to the Underwriters, be applied by the Issuer as follows:

(A) Accrued interest shall be deposited in the Sinking Fund and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2001 Bonds.

(B) An amount of Series 2001 Bond proceeds shall be deposited irrevocably in trust in the Issuer's escrow fund under the terms and provisions of the Escrow Agreement. Such moneys shall be invested in Government Obligations in the manner set forth in the Escrow Agreement, which investments shall mature at such times and in such amounts as shall be sufficient to pay the principal of, redemption premium and interest on the Refunded Bonds on March 1, 2002, the redemption date thereof.

(C) To the extent not paid or reimbursed by the Underwriters of the Series 2001 Bonds, proceeds shall be used to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2001 Bonds, including, without limitation, the fees and expenses of engineers, accountants, attorneys and financial advisors, and the premium for any municipal bond insurance and debt service reserve fund insurance policies, to those persons who shall be entitled to receive the same.

SECTION 7. SALE OF THE SERIES 2001 BONDS. Upon delivery to the Chairman, the Clerk and the County Attorney of a Purchase Contract substantially in the form of Exhibit A attached hereto, evidencing:

- (A) Series 2001 Bonds in an aggregate principal amount not exceeding \$6,000,000;
- (B) The debt service on such Series 2001 Bonds not being greater than the debt service on the Series 1992 Bonds in any fiscal year;
- (C) Net present value savings associated with the refunding of not less than \$200,000; and
- (D) Underwriters' discount not in excess of \$7.50 per \$1,000 of Series 2001 Bonds;

the Series 2001 Bonds shall be sold to the Underwriters pursuant to the Purchase Contract at the purchase price provided therein (including any original issue discounts), plus accrued interest on the Series 2001 Bonds from the date of the Series 2001 Bonds to the date of delivery and payment therefor; all terms and conditions set forth in said Purchase Contract being hereby approved. Upon compliance with the foregoing, the Chairman is hereby authorized and directed to execute said Purchase Contract and to deliver the same to the Underwriters.

SECTION 8. OFFICIAL STATEMENT; CONTINUING DISCLOSURE AGREEMENT.

(A) The form, terms and provisions of the Official Statement, dated the date of execution of the Purchase Contract, in substantially the form attached hereto as Exhibit B, relating to the Series 2001 Bonds, be and the same hereby are approved with respect to the information therein contained. The Chairman and Clerk, upon execution of the Purchase Contract described above, are hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with

such changes, amendments, omissions and additions as may be approved by the Chairman. The Preliminary Official Statement, in the form attached hereto as Exhibit B and said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2001 Bonds to the public. The Issuer hereby delegates to the Chairman and Clerk the responsibility to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Execution by the Chairman of the Official Statement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

(B) In order to enable the Underwriters to comply with the provisions of SEC Rule 15c2-12 relating to secondary market disclosure, the Chairman is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate in the name and on behalf of the County substantially in the form attached hereto as Exhibit E with such changes, amendments, omissions and additions as shall be approved by the Chairman, his execution and delivery thereof being conclusive evidence of such approval.

SECTION 9. APPOINTMENT OF ESCROW AGENT, REGISTRAR AND PAYING AGENT. The Bank of New York is hereby designated Escrow Agent, Registrar and Paying Agent for the Series 2001 Bonds. The Chairman and the Clerk are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 9.

SECTION 10. AUTHORIZATION OF EXECUTION OF ESCROW AGREEMENT. The Issuer hereby authorizes and directs the Chairman to execute, and the Clerk to attest under the corporate seal of the Issuer, the Escrow Agreement and to deliver the Escrow Agreement to the Escrow Agent, and does hereby authorize and direct the execution, sealing and delivery of the Escrow Agreement. All of the provisions of the Escrow Agreement, when executed and delivered by the Issuer as authorized herein and when duly authorized, executed and delivered by the Escrow Agent, shall be deemed to be a part of this Supplemental Resolution as fully and to the same extent as if incorporated verbatim herein, and the Escrow Agreement shall be in substantially the form of the Escrow Agreement attached hereto as Exhibit C with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Agreement, as may be approved by said Chairman. Execution by the Chairman of the Escrow Agreement shall be deemed to be conclusive evidence of approval of such changes. The Clerk is further authorized to approve the purchase, from proceeds of the Series 2001 Bonds, of Government Obligations which, together with other funds to be deposited pursuant to the Escrow Agreement, shall be sufficient at the time of such deposit to pay and redeem the Refunded Bonds.

SECTION 11. PAYMENT PURSUANT TO SERIES 2001 BOND INSURANCE POLICY.

(A) If, on the third day preceding any interest payment for the Series 2001 Bonds there is not on deposit with the Paying Agent sufficient moneys available to pay all the principal of and interest on the Series 2001 Bonds due on such date, the Paying Agent shall immediately notify the

Insurer for the Series 2001 Bonds and State Street Bank and Trust Company, N.A., New York, New York or its successor as Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Issuer has not provided the amount of such deficiency, the Paying Agent shall simultaneously make available to the Insurer and to the Fiscal Agent the registration books for the Series 2001 Bonds maintained by the Paying Agent. In addition:

(i) The Paying Agent shall provide the Insurer with a list of the Series 2001 Bondholders entitled to receive principal or interest payments from the Insurer under the terms of its Bond Insurance Policy (the "2001 Bond Insurance Policy") and shall make arrangements for the Insurer and its Fiscal Agent (1) to mail checks or drafts to Series 2001 Bondholders entitled to receive full or partial interest payments from the Insurer and (2) to pay principal of the Series 2001 Bonds surrendered to the Fiscal Agent by the Series 2001 Bondholders entitled to receive full or partial principal payments from the Insurer; and

(ii) The Paying Agent shall, at the time it makes the registration books available to the Insurer pursuant to (i) above, notify Series 2001 Bondholders entitled to receive the payment of principal of or interest on the Series 2001 Bonds from the Insurer (1) as to the fact of such entitlement, (2) that the Insurer will remit to them all or part of the interest payments coming due subject to the terms of the 2001 Bond Insurance Policy, (3) that, except as provided in paragraph (B) below, in the event that any Series 2001 Bondholder is entitled to receive full payment of principal from the Insurer, such Bondholder must tender his Series 2001 Bond with the instrument of transfer in the form provided on the Series 2001 Bond executed in the name of the Insurer, and (4) that, except as provided in paragraph (B) below, in the event that such Series 2001 Bondholder is entitled to receive partial payment of principal from the Insurer, such Series 2001 Bondholder must tender his Series 2001 Bond for payment first to the Paying Agent, and then, with an acceptable form of assignment executed in the name of the Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Series 2001 Bondholder subject to the terms of the 2001 Bond Insurance Policy.

(B) In the event that the Paying Agent has notice that any payment of principal of or interest on a Series 2001 Bond has been recovered from a Series 2001 Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time it provides notice to the Insurer, notify all Series 2001 Bondholders that in the event that any Series 2001 Bondholder's payment is so recovered, such Series 2001 Bondholder will be entitled to payment from the Insurer to the extent of such recovery, and the Paying Agent shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Series 2001 Bonds which have been made by the Paying Agent and subsequently recovered from Series 2001 Bondholders, and the dates on which such payments were made.

(C) The Insurer shall, to the extent it makes payment of principal of or interest on the Series 2001 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2001 Bond Insurance Policy and, to evidence such subrogation, (A) in the case

of subrogation as to claims for past due interest, the Paying Agent shall note the Insurer's rights as subrogee on the registration books maintained by the Paying Agent upon receipt from the Insurer of proof of payment of interest thereon to the Bondholders of such Series 2001 Bonds and (B) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Insurer's rights as subrogee on the registration books for the Series 2001 Bonds maintained by the Paying Agent upon receipt of proof of the payment of principal thereof to the Bondholders of such Series 2001 Bonds. Notwithstanding anything in the Resolution or the Series 2001 Bonds to the contrary, the Paying Agent shall make payment of past due interest and past due principal directly to the Insurer to the extent that the Insurer is a subrogee with respect thereto.

(D) The notice address for the Insurer with respect to the Series 2001 Bonds and the Fiscal Agent is Financial Guaranty Insurance Company, 115 Broadway, New York, New York, 10006, Attention: Risk Management; and State Street Bank and Trust Company, N.A., 61 Broadway, New York, New York 10006, Attention: Corporate Trust Department.

SECTION 12. GENERAL AUTHORITY. The members of the Board of County Commissioners, the Clerk of the Issuer and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution or the Bond Resolution, or desirable or consistent with the requirements hereof or the Bond Resolution for the full punctual and complete performance hereof or thereof. Each member, employee, attorney and officer of the Issuer or the Board of County Commissioners and the Clerk is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. The Chairman and/or the Clerk are hereby authorized to execute such security purchase forms or agreements as shall be necessary to effect the transactions contemplated hereby, including designating the Financial Advisor and Bond Counsel to assist or act as agent in such security purchase.

SECTION 13. BOND RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Bond Resolution and all the terms and provisions thereof, including the covenants contained therein, are and shall remain in full force and effect.

SECTION 14. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, even 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 separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or the Bonds issued hereunder.

SECTION 15. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

DULY ADOPTED, this 19th day of November, 2001.

NASSAU COUNTY, FLORIDA

(SEAL)

By: Marianne Marshall
Chairman, Board of County
Commissioners
Marianne Marshall

ATTEST:

J.M. Oxley, Jr.
Clerk, Board of County
Commissioners
J.M. "Chip" Oxley, Jr.
Ex-Officio Clerk

Approved as to Form:

Michael S. Malin
Michael S. Malin
County Attorney

EXHIBIT A

FORM OF BOND PURCHASE CONTRACT

\$ __,000,000
NASSAU COUNTY, FLORIDA
OPTIONAL GAS TAX REVENUE REFUNDING BONDS
Series 2001

BOND PURCHASE AGREEMENT

December __, 2001

Honorable Chairman and
Members of the Board
of County Commissioners
Nassau County, Florida

Ladies and Gentlemen:

SunTrust Capital Markets, Inc. (the "Representative") acting on behalf of itself, A.G. Edwards & Sons, Inc. and First Union National Bank's Municipal Securities Dealer, a division of First Union National Bank (collectively, the "Underwriters") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with Nassau County, Florida (the "County"), which, upon the County's acceptance of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to acceptance by the County of this Purchase Agreement no later than 10:00 P.M., New York time on the date hereof. The financial disclosure letter required to be provided to the County pursuant to Section 218.385, Florida Statutes, is annexed hereto as Exhibit A.

The terms "Closing" or "Date of Closing" refer to that date, further described in Paragraphs 3 and 6, respectively, herein, upon which the County will deliver, or cause to be delivered, all, but not less than all, of the County's \$ __,000,000 Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Bonds") to the Underwriters along with the other documents herein mentioned. The Preliminary Official Statement relating to the Bonds, dated November __, 2001 including the cover page, appendices and any amendments or supplements thereto (the "Preliminary Official Statement") as amended to delete preliminary language and reflect the final terms of the Bonds, with such additional changes and amendments as shall be approved by the Representative and the County, is hereinafter referred to as the "Official Statement." All capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Resolution.

1. Upon the terms and conditions and in reliance upon the representations, covenants and warranties set forth herein, the Underwriters hereby agree to purchase from the County, and

the County hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Bonds. The Bonds shall be dated December 1, 2001, and shall have the maturities and bear interest at the rates, and be sold to the public at the prices, all as set forth on Exhibit B attached hereto. The Bonds shall not be subject to redemption prior to maturity. The aggregate purchase price to be paid by the Underwriters for the Bonds is hereby agreed to be \$ _____ (consisting of \$ _____ original principal amount of Bonds, less \$ _____ underwriters' discount and \$ _____ net original issue discount) plus \$ _____ in accrued interest.

2. The Bonds shall be substantially in the form described in, and shall be issued and secured under Resolution No. 01-__, adopted on November 19, 2001 (together with Resolution No. 01-__ adopted on November 19, 2001, collectively, the "Resolution"). The principal of and interest on the Bonds shall be payable as provided in the Resolution and the Preliminary Official Statement and shall be secured by a pledge of the "Pledged Funds," as defined in the Resolution, which include the Gas Tax Revenues, as defined in the Resolution. Payment by the County, when scheduled, of principal and interest on the Bonds will be insured by a municipal bond insurance policy (the "Policy") to be issued by Financial Guaranty Insurance Company (the "Bond Insurer"). Proceeds of the Bonds will be used, together with other available funds of the County, to (i) refund certain outstanding debt of the County and (ii) pay certain costs of issuance of the Bonds, including the cost of the Policy.

3. It shall be a condition to the County's obligation to sell and to deliver the Bonds to the Underwriters and to the obligation of the Underwriters to purchase, to accept delivery of and to pay for the Bonds, that the entire \$ _____ aggregate principal amount of the Bonds shall be sold and delivered by the County and accepted and paid for by the Underwriters at the proceeding at which executed documents are delivered as required hereby and the Bonds are delivered to the Underwriters in exchange for their payment of the purchase price therefor (the "Closing"). The Underwriters agree to make a bona fide public offering of the Bonds, solely pursuant to the Official Statement, at the initial offering prices set forth in the Official Statement, reserving, however, the right to change such initial offering prices as the Underwriters shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at concessions to be determined by the Underwriters. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. The obligation of the County to sell and deliver the Bonds to the Underwriters shall also be conditioned upon issuance by Nabors, Giblin & Nickerson, P.A. ("Bond Counsel"), of its approving legal opinion with respect to the Bonds substantially in the form attached to the Preliminary Official Statement as Appendix D.

4. Prior to the date hereof, the County has provided to the Underwriters for their review the Preliminary Official Statement that the County deemed final (as defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule")) as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by the Rule in connection with the pricing of the Bonds. The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Purchase Agreement. The County hereby confirms that the Preliminary Official Statement was "final" (as defined in the Rule) as of its date, except for the Permitted Omissions. The County shall deliver or cause to be delivered to the Representative, promptly after the acceptance by the County of this Purchase Agreement, a copy

of the Official Statement related to the Bonds, duly executed by the County substantially in the form of the Preliminary Official Statement related to the Bonds, together with all supplements and amendments thereto, with only such changes therein as shall have been mutually accepted by the Representative and the County. Within seven business days of the acceptance hereof by the County, and at least three business days before the Bonds are to be delivered to the Underwriters, or within such other period as may be prescribed by the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer, the County shall cause to be delivered such reasonable number of conformed copies of the Official Statement as the Underwriters shall request, which shall be sufficient in number to comply with paragraph (b)(4) of the Rule and with Rule G-32 of the MSRB and all other applicable rules of the MSRB.

The Underwriters agree to file the Official Statement with at least one Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which has been so designated by the Securities and Exchange Commission pursuant to the Rule and with the MSRB (accompanied by a completed Form G-36) not later than two (2) business days after the Closing, and will furnish a list of the names and addresses of each such NRMSIR receiving a copy to the County upon request. The filing of the Official Statement with each such NRMSIR shall be in accordance with the terms and conditions applicable to such NRMSIR.

The County authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Official Statement and the Official Statement in connection with the public offering and sale of the Bonds. The Underwriters agree that they will not confirm the sale of any Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. The Representative shall notify the County of the occurrence of the "end of the underwriting period," as such term is defined in the Rule, on the date which is one day thereafter, and of the passage of the date after which the Underwriters no longer remain obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule on the date which is one day thereafter.

From the date hereof until the earlier of (i) ninety days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from a NRMSIR (but in no case less than 25 days following the end of the underwriting period), if any event occurs which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters and if, in the reasonable opinion of the County or the reasonable opinion of the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the County, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with each NRMSIR having the Official Statement on file, file with the MSRB if the MSRB is requiring or permitting the filing of continuing disclosure information, and mail such amendment or supplement to each record owner of Bonds) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriters. The County will promptly notify the Underwriters of the occurrence of any event of which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Bonds are hereinafter included within the term "Official Statement."

5. The County hereby represents and warrants to, and covenants and agrees with the Underwriters that:

(A) The County is a validly existing political subdivision of the State of Florida (the "State") and has, and at the time of the Closing will have, full legal right, power and authority (i) to execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate in the form attached to the Preliminary Official Statement as Appendix F (the "Continuing Disclosure Certificate"), (ii) to adopt the Resolution, (iii) to sell, execute, issue and deliver the Bonds to the Underwriters pursuant to the Constitution and laws of the State, particularly Chapter 125, Florida Statutes and other applicable provisions of law (the "Act") and the Resolution, (iv) to pledge the Pledged Funds, and (v) to apply the proceeds of the Bonds in accordance with the Resolution and as contemplated by the Preliminary Official Statement.

(B) The County (i) deemed the Preliminary Official Statement final for purposes of the Rule on or prior to the date thereof, (ii) has duly authorized and approved the Official Statement, (iii) has duly authorized and approved the execution and delivery of, and performance by the County of its obligations under the Bonds, this Purchase Agreement and the Continuing Disclosure Certificate, (iv) has duly authorized and approved the performance by the County of its obligations under the Resolution and the consummation by it of all other transactions contemplated by the Official Statement and (v) has duly authorized and adopted the Resolution.

(C) At or prior to the Closing, the Bonds will have been duly executed and delivered by the County, and each of them and the Resolution, this Purchase Agreement and the Continuing Disclosure Certificate will constitute legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by bankruptcy or other laws affecting creditors' rights generally and except that equitable remedies lie in the discretion of the court and may not be available.

(D) The Resolution creates a valid pledge of, and lien and charge upon, the Pledged Funds to the extent set forth in the Resolution. No other obligations of the County currently have a lien on the Pledged Funds, except as described in the Preliminary Official Statement.

(E) As of the date hereof, the County is not, and as of the Date of Closing (as defined below) will not be, in breach of or in default under any constitutional provisions, applicable law or administrative rule or regulation of the State of Florida (the "State"), the United States, or of any department, division, agency or instrumentality of either thereof or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the County is subject or by which it is bound, which in any material way, directly or indirectly, affects the issuance of the Bonds or the validity thereof, the validity or adoption of the Resolution, or the execution and delivery of the Bonds, this Purchase Agreement, the Continuing Disclosure Certificate, the Official Statement or the other instruments contemplated by the issuance of the Bonds to which the County is or will be a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State, the United States, or of any department, division, agency or instrumentality of either thereof.

(F) The Preliminary Official Statement (including the financial and statistical data included therein and the Appendices thereto) as of its date did not and the Official Statement (including the financial and statistical data included therein and the Appendices thereto) does not, and at Closing will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial and statistical data relating to the County and the financial statements of the County contained in the Official Statement fairly present, and at the Closing will fairly present, the financial condition of the County at the dates and for the periods therein specified in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of the County.

(G) Between the date of this Purchase Agreement and the Closing (i) the County will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money, (ii) the County will not incur any material liabilities, direct or contingent, other than those in the ordinary course of business, and (iii) there will not have been any adverse change of a material nature in the financial position of the County.

(H) The Bonds, the Resolution and the Continuing Disclosure Certificate conform to the descriptions thereof contained in the Official Statement, and the Bonds, when delivered in accordance with the Resolution and paid for by the Underwriters at the Closing as provided herein, will be validly issued and outstanding special obligations of the County entitled to all the benefits and security of the Resolution.

(I) No controversy or litigation of any nature is now pending or, to the best of the County's knowledge, threatened in any court or before any governmental agency:

(i) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Bonds or the execution, delivery and performance of this Purchase Agreement or the Continuing Disclosure Certificate; or

(ii) in any way contesting or affecting (a) the validity or enforceability of the Bonds, or (b) any proceedings of or on behalf of the County taken with respect to the issuance and sale of the Bonds, or (c) the adoption of the Resolution, or (d) the execution, delivery and performance of the Continuing Disclosure Certificate, or (e) the pledge of the Pledged Funds effected by the Resolution, or (f) the existence or powers of the County, or (g) the title to office of the members of the Board of County Commissioners; or

(iii) in any manner questioning (a) the proceedings or authority for the issuance of the Bonds, or (b) any provisions made or authorized for the payment of the Bonds, or (c) the existence or operations of the County, or (d) the power of the County to issue the Bonds, adopt the Resolution, execute and deliver the Continuing Disclosure Certificate, this Purchase Agreement, or undertake any other transactions contemplated by the Official Statement; or

(iv) which would have a material adverse effect upon the operations of the County relating to the Bonds or upon the contemplated use of the proceeds thereof.

(J) None of the County's proceedings or authority for the issuance, sale, execution and delivery of the Bonds or the execution and delivery of this Purchase Agreement,

the Continuing Disclosure Certificate or, or the adoption of the Resolution, as described in the Preliminary Official Statement, has been repealed, modified, amended, revoked or rescinded.

(K) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, as the Underwriters may reasonably request, to qualify the Bonds for offer and sale under the Blue Sky or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, provided that, in connection therewith, the County shall not be required to file a general consent to service of process or qualify to do business in any jurisdiction or become subject to service of process in any jurisdiction in which the County is not now subject to such service.

(L) The County will apply the proceeds of the Bonds and other available funds of the County in accordance with the Resolution and as contemplated by the Official Statement.

(M) All approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect:

- (i) the issuance and sale to the Underwriters of the Bonds; or
- (ii) the execution and delivery by the County of, or the performance by it of its obligations under the Bonds, the Resolution, the Continuing Disclosure Certificate and this Purchase Agreement;

have been obtained and are in full force and effect, except that the County is not responsible for such approvals, consents, orders or other action as may be required under the securities laws of any state in connection with the offering and sale of the Bonds.

(N) The County has not, since December 31, 1975 been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, and, other than the Resolution, the County has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Funds, other than as described in the Preliminary Official Statement.

(O) Any certificate signed by the Chairman or Vice Chairman of the Board of County Commissioners (the "Board") or other authorized official of the County shall be deemed a representation, warranty and covenant by the County to the Underwriters as to the statements made therein.

(P) All proceedings of the Board relating to the adoption of the Resolution, the approval and authorization of the issuance and sale of the Bonds and the execution of this Purchase Agreement and the Official Statement were conducted at duly convened public meetings of the Board with respect to which all notices were duly given to the public and at which meetings quorums were at all times present.

(Q) The County is eligible to receive the Gas Tax Revenues in the manner described in the Preliminary Official Statement.

(R) Within seven business days of the acceptance hereof, the County will furnish the Underwriters with as many printed copies of the Official Statement as the Underwriters shall reasonably request, in order to satisfy the requirements of the Rule.

(S) Other than as disclosed in the Preliminary Official Statement, the County has never failed to comply with an agreement to provide continuing disclosure information pursuant to the Rule.

6. By 12:30 P.M., New York time, on December __, 2001, or such later date as the County and the Underwriters may mutually agree (the "Date of Closing"), the County will deliver the duly authorized and executed Bonds in definitive registered bond form, duly executed and authenticated, to The Depository Trust Company or its agent, together with the other documents hereinafter mentioned, and subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds (plus accrued interest as set forth in Paragraph 1 hereof) by federal or other immediately available funds, to the order of the County. Delivery and payment as aforesaid shall be made at the principal offices of SunTrust Bank, in Jacksonville, Florida, or other such place as shall have been mutually agreed upon by the County and Underwriters. The Bonds shall be printed or typed and shall be prepared in such authorized forms and in such authorized denominations and registered in such names as the Underwriters shall specify in writing at least three business days prior to the Date of Closing. The Bonds shall be available for examination by the Underwriters at least one business day prior to the Date of Closing. The County shall cause CUSIP identification numbers to be printed on the Bonds, but neither failure to print such numbers or any error in such numbers shall constitute cause for the Underwriters to fail to accept delivery and pay for the Bonds.

7. The Underwriters have entered into this Purchase Agreement in reliance upon the representations, warranties and covenants of the County contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations thereunder, both as of the date hereof and as of the Date of Closing. Accordingly, the Underwriters' obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations, warranties and covenants on the part of the County contained herein as of the date hereof and as of the Date of Closing, to the accuracy in all material respects of the statements of the officers and other officials of the County made in any certificates or other documents furnished pursuant to the provisions hereof and to the performance by the County of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(A) At the time of Closing, the Resolution shall have been duly adopted and this Purchase Agreement and the Continuing Disclosure Certificate shall have been executed and delivered, and the Resolution, this Purchase Agreement and the Continuing Disclosure Certificate shall be in full force and effect, and shall not have been repealed, amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Agreement and the Preliminary Official

Statement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

(B) At the time of Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriters.

(C) At the time of Closing, the representations and warranties of the County contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the Date of Closing, as if made on the Date of Closing.

(D) At the time of the Closing, all official action of the County relating to the Resolution shall be in full force and effect and shall not have been revoked, amended, modified or supplemented.

(E) At the time of the Closing, all conditions precedent to the issuance of the Bonds as set forth in the Resolution shall have been fulfilled.

(F) The market price or marketability of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected, in the sole reasonable judgment of the Underwriters, by reason of any of the following events between the date hereof and the Date of Closing:

(i) Any legislation, rule or regulation is introduced in, enacted by, or favorably recommended for passage to either house of the Congress of the United States or any department or agency in the State, or any legislation, rule or regulation shall have been recommended, officially presented for passage, proposed to either House of the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, a responsible official of the Treasury Department of the United States or of the Internal Revenue Service, or by any committee of such House to which such legislation has been referred for consideration, or a decision is rendered by a court of the United States, including the tax courts of the United States or courts of the State, with the purpose or effect, directly or indirectly, of changing the federal or state income tax consequences of ownership of the Bonds or any of the transactions contemplated in connection herewith; or other action or events shall have transpired that would, in the judgment of the Underwriters, have the purpose or effect directly or indirectly, of changing the federal or state tax consequences of any of the transactions contemplated in connection therewith or the validity of the Bonds or which otherwise materially adversely affects the market for the Bonds or the sale thereof at the contemplated offering prices, by the Underwriters;

(ii) The declaration or existence of war or engagement in major hostilities by the United States or the occurrence of any other national emergency or national or international calamity relating to the effective operation of the government of, or the financial community in, the United States or any conflict involving the armed forces of the United States shall have escalated to such a magnitude as to materially adversely affect the Underwriters' ability to market the Bonds;

(iii) The declaration of a general banking moratorium by federal, New York or Florida authorities;

(iv) General suspension of trading on the New York Stock Exchange or other national securities exchange, or the imposition by such exchange or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or to the net capital requirements of, the Underwriters;

(v) The withdrawal or downgrading of any rating on the Bonds, or of any other securities insured by the Bond Insurer by a national rating agency;

(vi) Any amendment to the federal or Florida Constitution or action by any federal or Florida court, legislative body, regulatory body, or other authority materially adversely affecting the validity or enforceability of this Purchase Agreement, the Continuing Disclosure Certificate, the Bonds, the Resolution or the accuracy of the Official Statement or the ability of the County to meet its covenants under the Resolution;

(vii) The occurrence of a financial crisis or a default with respect to the debt obligations of the County or the institution of proceedings under the federal or state bankruptcy laws by or against the County;

(viii) The issuance of a stop order, release, regulation or no action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter (which is beyond the control of the Underwriters to prevent or avoid) to the effect that the issuance, offering or sale of the Bonds, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of state or federal securities laws at the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939;

(ix) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement omits to state a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(x) The enactment or proposal of legislation, or a decision by a court of the United States, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter, to the effect of requiring the Bonds or any securities of the type contemplated herein, to be subject to registration requirements of the Securities Act of 1933 or that the Resolution is not exempt from qualification under, or other requirements of, the Trust Indenture Act of 1939, as amended.

(G) At or prior to the Closing, the Underwriters shall have received the following documents, dated as of the Date of Closing, unless otherwise specified, and in each case, satisfactory in form and substance to the Underwriters:

(i) The Official Statement of the County executed on behalf of the County by at least the Chairman and Clerk of the Circuit Court of the County and Ex-Officio Clerk of the Board (the "Clerk");

(ii) A copy of the Resolution (and all ordinances relating thereto) certified by the Clerk as having been duly adopted by the Board and as being in effect on the date of the Closing and as not having been amended since its respective date of adoption, except as otherwise provided herein;

(iii) The approving opinion of Bond Counsel addressing the legality and tax exemption of the Bonds dated as of the Date of Closing and addressed to the County in the form as set forth in Appendix D to the Preliminary Official Statement, together with a letter of Bond Counsel dated as of the Date of Closing, and addressed to the Underwriters, to the effect that the foregoing opinion addressed to the County may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(iv) The supplemental opinion of Bond Counsel to the County, dated the Date of Closing and addressed to the Underwriters in the form of Exhibit C attached hereto;

(v) The opinion, dated as of the Date of Closing and addressed to the Underwriters, of the County Attorney, in the form of Exhibit D attached hereto;

(vi) The opinion, dated as of the Date of Closing and addressed to the County and the Underwriters, of Rogers, Towers, Bailey, Jones & Gay, P.A., as disclosure counsel, in the form of Exhibit E hereto;

(vii) A certificate or certificates, dated the Date of Closing and signed by the Chairman or Vice Chairman of the Board and the Clerk or a Deputy Clerk, to the effect that:

(a) The representations and warranties of the County contained herein are true and correct in all material respects on and as of the Date of Closing as if made on the Date of Closing;

(b) None of the proceedings or authority for the issuance, sale, execution and delivery of the Bonds, and execution, delivery and performance of this Purchase Agreement and the Continuing Disclosure Certificate or adoption of the Resolution has been repealed, modified, amended, revoked or rescinded;

(c) This Purchase Agreement, the Continuing Disclosure Certificate and the Resolution are all valid and binding obligations of the County, legally enforceable against the County in accordance with their respective terms;

(d) No event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(e) The County is not in breach of any of the covenants and obligations in the Resolution, and, as of the date of such certificate, all payments required to be made into the funds and accounts provided therein have been made to the full extent required.

(viii) A certificate (herein sometimes referred to as the "Arbitrage Certificate") of the County executed by the Chairman or Vice Chairman, or other authorized County official dated as of the Date of Closing, setting forth facts, estimates and circumstances concerning the use or application of the proceeds of the Bonds, and stating in effect that on the basis of such facts, estimates and circumstances in existence on the Date of Closing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code").

(ix) Letters from Standard & Poor's and Fitch, Inc. confirming that the Bonds have been rated "AAA," and "AAA," respectively, based on the issuance by the Bond Insurer of the Policy.

(x) The executed Policy of the Bond Insurer in standard form and substance, insuring the timely payment of the debt service on the Bonds accompanied by an opinion of counsel to the Bond Insurer dated the Closing Date and addressed to the Underwriters and the County in a form reasonably acceptable to the Representative, and certificates or opinions of counsel for the Bond Insurer regarding the accuracy of information about it in the Official Statement.

(xi) A letter from Farmand, Farmand & Farmand, P.A., independent certified public accountants for the County, dated the Date of Closing, addressed to the Underwriters in form and substance satisfactory to the Underwriters, their counsel and Bond Counsel, consenting to the use of the audited financial statements of the County and their report thereon and the references to such firm in the Official Statement.

(xii) A certificate of an authorized representative of The Bank of New York (the "Bank"), as Registrar and Paying Agent to the effect that:

(a) the Bank is a banking corporation duly organized, validly existing and in good standing under the laws of the State of New York and is duly authorized to exercise trust powers in the State,

(b) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution,

(c) the performance by the Bank of its functions under the Resolution will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution, and

(d) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is

likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution.

(xiii) A certificate of the Clerk of the County to the effect that there has occurred no material adverse effect to the financial condition of the County since September 30, 2000, other than as described in the Preliminary Official Statement and the Official Statement.

(xiv) Such additional legal opinions and certificates as may be required by the Bond Insurer in its commitment to insure the Bonds.

(xv) Such additional legal opinions, certificates, agreements, proceedings, instruments and other documents as Bond Counsel or the Underwriters may reasonably request to evidence the truth and accuracy as of the date hereof, and as of the Date of Closing, of the County's representations contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County at or prior to the Date of Closing of all agreements then to be performed and all conditions then to be satisfied by the County in connection with the transactions contemplated hereby, by the Resolution and the Official Statement.

If any of the conditions to the obligations of the Underwriters contained in this paragraph or elsewhere in this Purchase Agreement shall not have been satisfied, when and as required herein, all obligations of the Underwriters hereunder may be terminated by the Underwriters at, or at any time prior to, the Closing by written notice to the County.

8. After the date of this Purchase Agreement, the County will not adopt any amendment of, or supplement to, the Official Statement that shall be reasonably disapproved by counsel to the Underwriters. If at any time prior to Closing and within 90 days following the "underwriting period," as defined in the Rule, any event known to the County relating to or affecting the County, the Resolution, the Continuing Disclosure Certificate, or the Bonds shall occur, which might affect the correctness or completeness of any statement of a material fact contained in the Official Statement, the County will promptly notify the Underwriters in writing of the circumstances and details of such event.

If, as a result of such event, it is necessary, in the opinion of the County Attorney, Bond Counsel, the Underwriters or counsel to the Underwriters, to amend or supplement the Official Statement in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and any such party shall have so advised the County, the County will, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or a supplement to, such Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement such Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. For the purposes of this paragraph, the County will furnish such information with respect to itself as the Underwriters may from time to time reasonably request in writing.

9. (A) The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the County's obligations hereunder, including, but not limited to: (i) the cost of the preparation, printing and delivery of this Purchase

Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement, (ii) the cost of the preparation, printing and delivery of the Bonds, (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and William R. Hough & Co., the Financial Advisor to the County, (iv) the fees of Farmand, Farmand & Farmand, P.A., independent certified public accountants to the County in connection with the issuance of the Bonds, (v) the fees and disbursements of any other experts or consultants retained by the County, (vi) the fees and disbursements of the Paying Agent and rating agency fees, and (vii) the fees and premium of the Bond Insurer for the Policy.

(B) The Underwriters shall pay (i) all advertising expenses in connection with the public offering of the Bonds, and (ii) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

10. This paragraph 10 is included in satisfaction of the requirements of Section 218.385(2) and (3), Florida Statutes. The County is proposing to issue \$ __,000,000 in original principal amount of Bonds for the purpose of refunding certain outstanding debt of the County and paying the costs of issuance of the Bonds. The Bonds are expected to be repaid over a period of __ years. At a true interest cost rate of _____% total interest paid over the life of the debt or obligation will be \$ _____.

The Bonds will be payable from the Gas Tax Revenues and from other Pledged Funds in the manner provided in the Resolution. Authorizing the Bonds will result in up to \$ _____ of the County's Gas Tax Revenues not being available to finance the other services of the County each year for the period from 200__ (the year the refunded bonds mature) through 20__.

The above computations are submitted for purposes of information only.

11. Any notice or other communication to be given to the County under this Purchase Agreement may be given by delivering the same in writing to 191 Nassau Place, Yulee, Florida 32097, Attention: County Attorney, and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to SunTrust Capital Markets, Inc., 200 South Orange Avenue, Tower 10, Orlando, Florida 32801.

12. This Purchase Agreement is made solely for the benefit of the County and the Underwriters, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations and warranties shall be true as of the date hereof and the date of Closing and all of the covenants set forth or made pursuant to this Purchase Agreement shall remain operative and in full force and effect and shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of: (A) any investigations made by or on behalf of the Underwriters, and (B) delivery of and payment for the Bonds pursuant to this Purchase Agreement. Further, the agreements contained in Paragraphs 8 and 9 hereof shall survive any termination of this Purchase Agreement.

13. This Purchase Agreement may be executed in any number of counterparts each of which shall be regarded for all purposes as an original, and each of such signed counterparts shall constitute a single instrument.

14. This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairman or Vice Chairman of the Board and shall be valid and enforceable as of the time of such acceptance.

15. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Very truly yours,

SUNTRUST CAPITAL MARKETS, INC., as
Representative of the underwriters

By _____
D. Brent Wilder
Director

Accepted by Nassau County,
Florida on the _____ day
of December, 2001

NASSAU COUNTY, FLORIDA

By _____
Chairman or Vice Chairman of
the Board of County Commissioners

ATTEST:

Clerk of the Circuit Court

Approved as to form by
County Attorney:

By _____
County Attorney

EXHIBIT A

Disclosure Letter

December __, 2001

Chairman and Members of the
Board of County Commissioners
of Nassau County, Florida

Re: \$__,000,000 Nassau County, Florida Optional Gas Tax Revenue Refunding
Bonds, Series 2001 (the "Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of the above-captioned bonds (the "Bonds"), SunTrust Capital Markets, Inc., A.G. Edwards & Sons, Inc. and First Union National Bank (collectively, the "Underwriters"), pursuant to the Bond Purchase Agreement ("Purchase Agreement") dated December __, 2001, among the Underwriters and Nassau County, Florida (the "County"), hereby make the following disclosures to the County:

(a) The Underwriters are acting as underwriters to the County for the public offering and sale of the Bonds. The total fee to be paid to the Underwriters pursuant to the Purchase Agreement is equal to approximately \$_____/ \$1,000 of the total face amount of the Bonds.

(b) The expenses estimated to be incurred by the Underwriters in connection with the issuance of the Bonds are equal to approximately \$_____/ \$1,000.

(c) The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the County or the Underwriters, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the County and the Underwriters for the purpose of influencing any transaction in the purchase of the Bonds are:

None, except as described below.

SunTrust Bank, an affiliate of SunTrust Capital Markets, Inc., as part of its relationship services, referred the County to SunTrust Capital Markets, Inc. to discuss underwriting the Bonds. Under MSRB Rule G-38, SunTrust Bank is considered a "consultant." SunTrust Bank, after the closing of the issuance of the Bonds, will receive, as part of internal corporate revenue sharing arrangements a portion of the fees paid by the County to SunTrust Capital Markets, Inc.. At SunTrust Bank's option, a portion of this revenue may be paid as a bonus to its employees who were instrumental in making the referral.

(d) The amount of underwriting spread expected to be realized is approximately \$____/\$1,000 (exclusive of expenses) for the Bonds of which \$____/\$1,000 is equal to the management fee.

(e) Any other fee, bonus or other compensation estimated to be paid by the Underwriters in connection with the Bonds to any person not regularly employed or retained by the Underwriters is as follows:

None

(f) The names and addresses of the Underwriters are:

SunTrust Capital Markets, Inc.
200 South Orange Avenue, Tower 10
Orlando, Florida 32801

A.G. Edwards & Sons, Inc.
3637 4th Street North, Suite 280
St. Petersburg, Florida 33704-1355
First Union National Bank
Municipal Securities Group
800 N. Magnolia Avenue, 8th Floor
Orlando, Florida 32801

Very truly yours,

SUNTRUST CAPITAL MARKETS, INC.
A.G. EDWARDS & SONS, INC.
FIRST UNION NATIONAL BANK

By: SunTrust Capital Markets, Inc.

By _____
Director

ITEMIZATION OF ESTIMATED EXPENSES

Underwriters' Counsel Fees and Expenses	\$
CUSIP	
DTC	
Municipal Syndicate Services	
TBMA	
Travel / Miscellaneous	_____
TOTAL	\$

EXHIBIT B

Maturities, Principal Amounts, Interest Rates and Yields

<u>Maturity Date</u> <u>(March 1.)</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>
2003	\$	%	%
2004			
2005			
2006			
2007			
2008			
2009			

EXHIBIT C

[Supplemental Opinion of Bond Counsel]

December __, 2001

Board of County Commissioners of
Nassau County, Florida
Fernandina Beach, Florida

SunTrust Capital Markets, Inc.
A.G. Edwards & Sons, Inc.
First Union National Bank
c/o SunTrust Capital Markets, Inc.
Orlando, Florida

Financial Guaranty Insurance Company
New York, New York

RE: \$ __,000,000 Nassau County, Florida Optional Gas Tax Revenue Refunding
Bonds, Series 2001

Gentlemen:

We have acted as Bond Counsel for Nassau County, Florida (the "County") in connection with the issuance of the County's \$ _____ Optional Gas Tax Revenue Refunding, Series 2001 (the "Bonds"), issued pursuant to Resolution No. 01-__ adopted on November 19, 2001, as supplemented (collectively, the "Resolution"). In such capacity, we have examined the following: (i) the Resolution; (ii) the Official Statement dated December __, 2001 related to the Bonds; (iii) the Bond Purchase Agreement, dated December __, 2001, by and among the County, SunTrust Capital Markets, Inc., A.G. Edwards & Sons, Inc. and First Union National Bank's Municipal Securities Dealer, a division of First Union National Bank (collectively, the "Underwriters") (the "Purchase Contract") and (iv) such other records, documents, certificates, proceedings and questions of law as we have considered necessary to enable us to render this opinion. All capitalized terms not defined herein shall have the meaning set forth in the Resolution. Based upon such examination, we are of the opinion that:

(a) The Purchase Contract has been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the other party thereto, constitutes a valid, legal and binding agreement of the county, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by application of equitable principles.

(b) The Official Statement has been duly authorized, executed and delivered by the County and the County has consented to the use of the Official Statement by the Underwriter.

(c) The information in the Official Statement, including the cover information regarding "Tax Exemption" and under the headings "Introduction," "Purpose of the Series 2001 Bonds," "Refunding Plan," "Description of the Series 2001 Bonds," "Security for the Series 2001 Bonds," "Tax Exemption," and "Appendix C – The Bond Resolution" and "Appendix D – Bond Counsel Opinion" (other than statistical or financial data, information relating to the Depository Trust Company and the Bond Insurer, as to which no opinion is expressed), insofar as such information purports to be the description or summaries of the Resolution, the Bonds, the Act (as defined in the Resolution) and the Constitution and laws of the State of Florida, and federal tax laws, are true and correct in all material respects.

(d) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(e) All approvals, consents, authorization and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations under the Purchase Contract, the Resolution and the Bonds have been obtained and are in full force and effect.

(f) The County is lawfully empowered to pledge Gas Tax Revenues to pay debt service on the Bonds in the manner provided in the Resolution.

Very truly yours,

EXHIBIT D

[Opinion of County Attorney]

December __, 2001

Board of County Commissioners
Nassau County, Florida
Fernandina Beach, Florida

SunTrust Capital Markets, Inc.
A.G. Edwards & Sons, Inc.
First Union National Bank
c/o SunTrust Capital Markets, Inc.
Orlando, Florida

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

Financial Guaranty Insurance Company
New York, New York

RE: \$ __,000,000 Nassau County, Florida Optional Gas Tax Revenue Refunding
Bonds, Series 2001

Gentlemen:

This letter shall serve as the opinion of Counsel to Nassau County, Florida, (the "County") pursuant to Section 7(G)(v) of the Bond Purchase Agreement by and between the County and the Underwriters named above dated December __, 2001 (the "Purchase Contract"). In connection with the issuance by the County of \$ __,000,000 aggregate principal amount of its Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Bonds"), I have participated in various proceedings in connection therewith. All terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract.

I am of the opinion that:

(a) The County is a political subdivision duly existing under the Constitution and laws of the State of Florida and has good right and lawful authority to adopt the Resolution, to issue the Bonds, to secure the Bonds in the manner provided in the Resolution and as described in the Official Statement (as hereinafter defined), to carry out its powers under the Act, to execute and deliver the Purchase Contract, the Continuing Disclosure Certificate dated December __, 2001 (the "Continuing Disclosure Certificate") and the Official Statement dated December __, 2001 in connection with the Bonds (the "Official Statement") and to perform all of its obligations under the Resolution, the Purchase Contract and the Continuing Disclosure Certificate.

(b) The Resolution has been duly adopted by the County and the Purchase Contract, the Continuing Disclosure Certificate and the Bonds have been duly authorized, executed, and

delivered by the County and each constitutes a valid, legal, and binding agreement of the County enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the enforcement of creditors' rights generally and by application of equitable principles.

(c) The County has approved and authorized the Official Statement and the execution and delivery of the Official Statement to the purchasers of the Bonds and has duly executed the Official Statement.

(d) The adoption of the Resolution and the execution and delivery of the Purchase Contract, the Continuing Disclosure Certificate and the Bonds and compliance with the provisions of each do not and will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the County is a party or is otherwise subject.

(e) Except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending, or threatened, challenging the creation, organization or existence of the County or the validity of the Bonds or the Purchase Contract or the Continuing Disclosure Certificate or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the County would have a material adverse effect upon the financial condition or the revenues of the County, or which, in any manner, questions the right of the County to issue the Bonds or to use the Gas Tax Revenues (as defined in the Resolution) for repaying of the Bonds.

(f) Without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement as of its date or as of this date contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as to statistical or financial data or information as to the municipal bond insurer contained therein and Appendices A, B, D, E and F as to which no opinion is expressed).

(g) The County has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transactions described in the Purchase Contract.

(h) The issuance and sale of the Bonds to the Underwriters will not be subject to any transfer, documentary stamp or other excise taxes of the State of Florida or any political subdivision thereof.

Sincerely yours,

EXHIBIT E

[Form of Opinion of Disclosure Counsel]

December __, 2001

Chairman, Board of County Commissioners
of Nassau County, Florida

SunTrust Capital Markets, Inc.
A.G. Edwards & Sons, Inc.
First Union National Bank
c/o SunTrust Capital Markets, Inc.
Orlando, Florida

Re: \$ __,000,000 Nassau County, Florida Optional Gas Tax Revenue Refunding
Bonds, Series 2001

Dear Sir:

This opinion is rendered to you in connection with the offering and sale of the above-captioned obligations (the "Bonds") in our capacity as disclosure counsel to Nassau County, Florida (the "County"). In rendering this opinion we have reviewed the final Official Statement, dated December __, 2001, with respect to the Bonds (the "Official Statement"). We have also examined originals or copies, certified or otherwise identified to our satisfaction, of Resolution No. 01-__ of the County adopted November 19, 2001, as amended and supplemented (collectively, the "Legislation"), and such other ordinances, resolutions, documents, records and instruments as we have considered necessary or appropriate for the purpose of rendering this opinion. In addition, certain of our attorneys participated in telephone conferences and meetings with representatives of the County, the County's financial advisor and representatives of SunTrust Capital Markets, Inc., A. G. Edwards & Sons, Inc. and First Union National Bank's Municipal Securities Dealer, a division of First Union National Bank, the underwriters of the Bonds, concerning the contents of the Official Statement and related matters.

We have examined the Securities Act of 1933, as amended, and the rules, regulations and interpretations thereunder; the Securities Exchange Act of 1934, as amended, and the rules, regulations and interpretations thereunder, including, particularly, Rule 15c2-12 promulgated thereunder; the Trust Indenture Act of 1939, as amended, and the rules, regulations and interpretations thereunder, and the Florida Securities and Investor Protection Act.

In accordance with our understanding with you, for purposes of this opinion we have relied on (i) the opinion dated as of this date of Nabors, Giblin & Nickerson, P.A., as bond counsel, as to the validity of the Bonds and the exclusion from gross income for federal income tax purposes and other tax treatment of the interest on the Bonds, and (ii) the opinion dated this date of Michael S. Mullin, Esquire, as counsel to the County, as to the authority of and other matters relating to the County.

Based upon our examination and discussions, we are of the opinion that, under existing law:

(a) The Bonds are not subject to the registration requirements of either the Securities Act of 1933, as amended, or the Florida Securities and Investor Protection Act; and the Legislation is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(b) Based upon our participation in the preparation of the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to our attention causing us to believe that the Official Statement, as of its date and the date hereof, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for the financial and statistical data contained in the Official Statement and in the appendices thereto, as to which no view is expressed).

This opinion and advice is being rendered to you solely for your benefit and may not be relied on by any other person or entity.

Respectfully submitted,

Jax;485279v4 – Nassau County – BPA (v3)

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

Preliminary Official Statement dated November 20, 2001

NEW ISSUE – BOOK ENTRY ONLY

Ratings: Fitch: ___
Standard & Poor's: ___
(FGIC Insured)
See "RATINGS" herein

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX EXEMPTION," interest on the Series 2001 Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences described herein under "TAX EXEMPTION." In the opinion of Bond Counsel, the Series 2001 Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

\$5,675,000*
NASSAU COUNTY, FLORIDA
Optional Gas Tax Revenue Refunding Bonds
Series 2001

Dated: December 1, 2001

Due: March 1 as shown below

The Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Series 2001 Bonds") of Nassau County, Florida (the "County"), will be issued only as fully registered bonds and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2001 Bonds. The Series 2001 Bonds will be available to purchasers in the denominations of \$5,000 and integral multiples thereof only under the book-entry system maintained by DTC through brokers and dealers who are, or act through DTC Participants. Purchasers will not receive delivery of the Series 2001 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2001 Bond, he must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2001 Bond. The principal of the Series 2001 Bonds will be payable upon the presentation and surrender of the Series 2001 Bonds at the corporate trust office of The Bank of New York, the Paying Agent and Registrar, in New York, New York. So long as the Series 2001 Bonds are in book-entry only form, payment of the principal of and interest on the Series 2001 Bonds are payable to Cede & Co., as the Registered Owner thereof, and will be distributable to the DTC Participants by DTC and redistributed by the DTC Participants. See DESCRIPTION OF THE SERIES 2001 BONDS – Book-Entry Only System" herein.

The Series 2001 Bonds are not subject to redemption prior to their stated maturities.

The Series 2001 Bonds are being issued under the authority of, and in full compliance with, the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Chapter 206, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), Ordinance 86-8 enacted by the Board of County Commissioners on February 24, 1986, as amended and supplemented, Ordinance No. 87-29, enacted by the Board on March 17, 1987, as amended and supplemented, and Resolution No. 01-__ adopted by the Board of County Commissioners on November 19, 2001, as supplemented, to finance the costs of (1) refunding the County's outstanding Optional Gas Tax Revenue Refunding Bonds, Series 1992 and (2) paying certain costs related to the issuance and sale of the Series 2001 Bonds, including the premiums for a municipal bond insurance policy. See the discussion under the headings "PURPOSE OF ISSUE" and "THE PROJECT" herein.

The Series 2001 Bonds are limited, special obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the six cent local option gas tax upon motor fuel and diesel fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes (the "Gas Tax Revenues") and, until expended, and to the extent not required to

be rebated to the United States Treasury, the moneys on deposit in the funds and accounts created by the Resolution. Such moneys and the Gas Tax Revenues are sometimes herein collectively referred to as the "Pledged Funds." The lien upon and pledge of the Pledged Funds in favor of the Holders of the Series 2001 Bonds is on a parity with the lien upon and pledge of such Pledged Funds in favor of the Holders of the County's outstanding Optional Gas Tax Revenue Bonds, Series 2000 (the "Series 2000 Bonds"). The Series 2000 Bonds, the Series 2001 Bonds and any Additional Parity Bonds issued under the Resolution are herein sometimes collectively called the "Bonds." See the information under the heading "SECURITY FOR THE SERIES 2001 BONDS" herein.

The payment of the principal of and interest on the Series 2001 Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company simultaneously with the delivery of the Series 2001 Bonds. See the material under the heading "MUNICIPAL BOND INSURANCE" herein.

[LOGO]

The Series 2001 Bonds do not constitute general obligations or indebtedness of, or a pledge of the faith, credit or taxing power, of the County or of the State of Florida or any agency or political subdivision thereof, but are limited, special obligations of the County, payable solely from and secured by a prior lien upon and pledge of the Pledged Funds on a parity with the outstanding Series 2000 Bonds. Neither the County, nor the State of Florida nor any agency or political subdivision thereof, will be obligated (1) to exercise its ad valorem taxing power or any other taxing power in any form on any real or personal property to pay the Series 2001 Bonds, or other costs incident thereto, or (2) to pay the same from any funds of the County except from the Pledged Funds described herein, in the manner provided in the Resolution. The Series 2001 Bonds do not constitute a lien upon any property of the County or within or without the County, except the Pledged Funds, in the manner provided in the Resolution.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*
\$ _____ Serial Bonds

<u>Maturity</u>		<u>Interest</u>	<u>Price or</u>	<u>Maturity</u>		<u>Interest</u>	<u>Price or</u>
<u>March 1,</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>March 1,</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
2003	\$	%		2007	\$	%	
2004				2008			
2005				2009			
2006							

This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2001 Bonds are offered when, as and if issued, subject to receipt of the legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the County by Michael S. Mullin, Esquire, County Attorney, and by Rogers, Towers, Bailey, Jones & Gay, P.A., Jacksonville, Florida, Disclosure Counsel and Underwriters' Counsel. William R. Hough & Co., Jacksonville, Florida, is acting as financial advisor to the County. It is expected that the Series 2001 Bonds will be available for delivery to the Underwriters in New York, New York, on or about December 11, 2001.

SunTrust Capital Markets, Inc.

A.G. Edwards & Sons, Inc.

Wachovia Securities

Dated: December __, 2001

* Preliminary; subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion or amendment. The Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NASSAU COUNTY, FLORIDA
919 Nassau Place
Yulee, Florida 32097
(904) 321-5700

BOARD OF COUNTY COMMISSIONERS

Marianne Marshall, Chairman
David C. Howard, Vice Chair
Nick D. Deonas, Commissioner
Vicki Samus, Commissioner
Floyd L. Vanzant, Commissioner

CLERK OF THE CIRCUIT COURT

J.M. "Chip" Oxley, Jr.

COUNTY COORDINATOR

Walter Gossett

COUNTY ATTORNEY

Michael S. Mullin, Esquire

BOND COUNSEL

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

FINANCIAL ADVISOR

William R. Hough & Co.
Jacksonville, Florida

No dealer, broker, salesman or other person has been authorized by Nassau County, Florida to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2001 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the County and includes information obtained from other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the County since the date hereof. In accordance with their responsibilities under the federal securities law, the Underwriters have reviewed the information in this Official Statement but do not guaranty its accuracy or completeness.

Upon issuance, the Series 2001 Bonds will not be registered under the Securities Act of 1933, will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the County, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2001 Bonds for sale.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2001 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2001 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they may be obtained from J.M. "Chip" Oxley, Jr., Clerk of the Circuit Court in and for Nassau County, Florida, ex-officio Clerk of the Board of County Commissioners, 191 Nassau Place, Yulee, Florida 32097, telephone (904) 321-5700, upon prepayment of reproduction costs, postage, and handling expenses.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information and to the definitions contained or incorporated in this Official Statement. The offering of the Series 2001 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use this Summary Statement without this entire Official Statement. For a complete description of the terms and conditions of the contract between the County and the Registered Owners of the Series 2001 Bonds, reference is made to the Resolution, hereinafter defined, a copy of which is included herein as Appendix C.

The County

Nassau County, Florida (the "County") is one of four counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is contiguous to Duval County and the City of Jacksonville. It is bordered on the north by the State of Georgia, on the west by the State of Georgia and Baker County, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Mary's River and the Atlantic Ocean. Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

Authority for Issuance

The Series 2001 Bonds are being issued under the authority of, and in full compliance with, the Constitution and the Statutes of the State of Florida, including particularly Chapters 125 and 206, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), Ordinances Nos. 86-8 and 87-29, enacted by the Board of County Commissioners of the County on February 24, 1986 and March 17, 1987, respectively, as amended and supplemented and Resolution No. 01-___, adopted by the Board of County Commissioners on November 19, 2001, as supplemented (collectively, the "Resolution").

Purpose of the Series 2001 Bonds

The proceeds to be received from the sale of the Series 2001 Bonds will be used by the County pursuant to the Resolution to provide funds (1) to refund the County's outstanding Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds") and (2) to pay certain costs related to the issuance and sale of the Series 2001 Bonds, including the premiums for a municipal bond insurance policy. See "PURPOSE OF THE SERIES 2001 BONDS," ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

Sources and Security of Payment for the Series 2001 Bonds

The Series 2001 Bonds are special, limited obligations of the County payable solely from and secured by a pledge of and lien upon (1) the Gas Tax Revenues, as further described herein, and (2) until expended, the moneys on deposit in certain funds and accounts created by the Resolution (together with the Gas Tax Revenues, collectively, the "Pledged Funds"), on a parity with the County's Optional Gas Tax Revenue Bonds, Series 2000 (the "Series 2000 Bonds"), outstanding as of November 20, 2001 in the accreted value of \$6,576,084.90. The Series 2001 Bonds and the indebtedness evidenced thereby do not constitute a lien upon any property of or in the County, except the Pledged Funds, all in the manner

provided in the Resolution. See the information under the heading ‘SECURITY FOR THE SERIES 2001 BONDS.’

Reserve Account Requirement

The County has covenanted in the Resolution to maintain in the Reserve Account an amount equal to the Reserve Account Requirement, as defined in the Resolution, on all Bonds outstanding under the Resolution. Currently, there is on deposit in the Reserve Account a surety bond issued by Financial Guaranty Insurance Company in connection with the issuance of the Refunded Bonds in an amount equal to the Reserve Account Requirement for the Refunded Bonds (this surety bond will also cover the Series 2001 Bonds) and a surety bond issued by Ambac Assurance Corporation in connection with the issuance of the Series 2000 Bonds in an amount equal to the Reserve Account Requirement for the Series 2000 Bonds for the purpose of funding the Reserve Account Requirement applicable to the Series 2000 Bonds. See the heading “SECURITY FOR THE SERIES 2001 BONDS – Reserve Account” herein.

Municipal Bond Insurance

Payment of the principal of and interest on the Series 2001 Bonds when due will be insured by a municipal bond insurance policy to be issued simultaneously with the delivery of the Series 2001 Bonds by Financial Guaranty Insurance Company. For a discussion of the terms and provisions of the municipal bond insurance policy including the limitations thereof, see “MUNICIPAL BOND INSURANCE” herein.

Description of the Bonds

Denominations. The Series 2001 Bonds will be available to purchasers in denominations of \$5,000 and integral multiples thereof.

Book-Entry Only System. The Series 2001 Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2001 Bonds. The Series 2001 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 2001 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2001 Bond, he must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 2001 Bond. See “DESCRIPTION OF THE SERIES 2001 BONDS – Book-Entry Only System” herein.

Paying Agent and Registrar. The Bank of New York, New York, New York, will serve as Paying Agent and Registrar for the Series 2001 Bonds.

No Redemption. The Series 2001 Bonds are not subject to redemption prior to their stated maturities.

For a more complete description of the Series 2001 Bonds and the basic documentation pursuant to which the Series 2001 Bonds are issued, see “DESCRIPTION OF THE SERIES 2001 BONDS” and “SECURITY FOR THE SERIES 2001 BONDS” herein.

Continuing Disclosure

The County has undertaken to comply with the provisions of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission by providing certain annual financial information and material event notices required by such Rule. See 'CONTINUING DISCLSOURE' herein.

Tax Exemption

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2001 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2001 Bonds received by certain corporations will, however, be includable in the computation of the federal alternative minimum tax imposed on corporations by the Internal Revenue Code of 1986, as amended (the "Code") as hereinafter discussed. Failure by the County to comply subsequent to the issuance of the Series 2001 Bonds, with certain requirements of the Code regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2001 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue.

In the opinion of Bond Counsel, the Series 2001 Bonds are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

End of Summary Statement

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OFFICIAL STATEMENT
relating to
\$5,675,000*
Nassau County, Florida
Optional Gas Tax Revenue Refunding Bonds
Series 2001

INTRODUCTION

The purpose of this Official Statement, including the cover page, the Summary Statement, and all appendices, is to furnish information in connection with the sale by Nassau County, Florida (the "County") of its \$5,675,000* Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Series 2001 Bonds"). The Series 2001 Bonds are being issued pursuant to the Constitution and Statutes of the State of Florida, including particularly Chapters 125 and 206, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), Ordinance No. 86-8 enacted by the Board of County Commissioners of the County on February 24, 1986, as amended and supplemented, Ordinance No. 87-29, enacted by the Board of County Commissioners of the County on March 17, 1987, as amended and supplemented and Resolution No. 01-__, adopted by the Board of County Commissioners on November 19, 2001, as supplemented (collectively, the "Resolution"). The Resolution is a restatement and amendment of the Resolution No. 88-28, adopted by the Board of County Commissioners on January 12, 1988, as previously amended and supplemented.

Capitalized terms used herein shall have the same meanings as given to them in the Resolution unless otherwise defined herein or where the context would clearly indicate otherwise. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating the Series 2001 Bonds, the security for the payment of the Series 2001 Bonds, and the rights and obligations of Registered Owners thereof. Copies of such documents may be obtained from J.M. "Chip" Oxley, Jr., Clerk of the Circuit Court in and for Nassau County, Florida, ex-officio Clerk of the Board of County Commissioners, 191 Nassau Place, Yulee, Florida 32097, telephone (904) 321-5700, upon prepayment of reproduction costs, postage, and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 2001 Bonds, other than the Resolution, is to be construed as a contract with the Registered Owners of the Series 2001 Bonds.

* Preliminary; subject to change.

PURPOSE OF THE SERIES 2001 BONDS

The Series 2001 Bonds are being issued to provide funds for the purpose of financing the costs of (1) refunding the County's outstanding Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds") and (2) paying certain costs related to the issuance and sale of the Series 2001 Bonds, including the premiums for a municipal bond insurance policy and a reserve account policy. See "THE PROJECT" herein for a more detailed description of the Project.

REFUNDING PLAN

A portion of the proceeds of the Series 2001 Bonds will be used to provide the moneys needed to effect the defeasance of the Refunded Bonds. Upon issuance of the Series 2001 Bonds, the County will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with The Bank of New York, as escrow agent (the "Escrow Agent"), providing, among other things, for the deposit of a portion of the proceeds from the sale of the Series 2001 Bonds and other moneys specified therein with the Escrow Agent in an amount which will be sufficient to pay the principal (including mandatory sinking fund installments) or redemption price of and interest on the Refunded Bonds as the same shall become due or called for redemption. Such amounts shall be invested by the Escrow Agent in direct obligations of the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Upon issuance of the Series 2001 Bonds, irrevocable instructions will be given to the Escrow Agent to publish a timely notice of redemption of the Refunded Bonds. The County will call the Refunded Bonds for redemption on March 1, 2002.

By deposit of the amounts described above with the Escrow Agent pursuant to the Escrow Deposit Agreement, the County (in the opinion of Bond Counsel based upon schedules prepared by SunTrust Capital Markets, Inc. will have effected the defeasance of the Refunded Bonds. As a result of such refunding, in reliance on such schedules, it is the opinion of Bond Counsel that the lien of the Refunded Bonds on the funds pledged therefor, together with all other obligations of the County to the owners of the Refunded Bonds under the resolutions pursuant to which the Refunded Bonds were issued, will be defeased.

The maturing principal of and interest on the Federal Securities held under the Escrow Deposit Agreement will not be available to pay debt service on the Series 2001 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds for the Series 2001 Bonds.

SOURCES:

Principal Amount of Series 2001 Bonds	\$
Less: Original Issue Discount	
Accrued Interest on the Series 2001 Bonds	
Sinking Fund for the Refunded Bonds	_____
TOTAL SOURCES	\$

USES:

Deposit with Escrow Agent	\$
Deposit to Sinking Fund	
Underwriters' Discount	
Cost of Issuance ¹	_____
TOTAL USES	\$ _____

¹ Includes bond insurance premium and legal and other issuance expenses.

DESCRIPTION OF THE SERIES 2001 BONDS

General

The Series 2001 Bonds are being issued in fully registered form in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2001 Bonds. The Series 2001 Bonds will be available to purchasers in denominations of \$5,000 or integral multiples thereof. Interest on the Series 2001 Bonds is payable on March 1, 2002 and on each March 1 and September 1 thereafter until maturity or redemption. Amounts due on the Series 2001 Bonds will be paid to Cede & Co. as nominee for DTC, as registered owner of the Series 2001 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2001 Bonds (all as defined below). The Series 2001 Bonds are not subject to redemption prior to their stated maturities.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and the County does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2001 Bonds. The 2001 Bonds will be issued as fully registered Bonds, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond certificate will be issued for each Series 2001 Bond maturity in the aggregate principal amount thereof, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, as a “Banking Organization” within the meaning of the New York Banking Law. DTC is a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the “DTC Participants”) and to facilitate the settlement of securities transactions among DTC Participants in such securities through computerized book-entry changes in DTC Participant’s accounts, thereby eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its DTC Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the “Indirect DTC Participant” and, together with DTC Participants, the “Participants”). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of ownership interests in the Series 2001 Bonds under the DTC system must be made by or through DTC Participants, which will receive a credit for the Series 2001 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2001 Bond (the “Beneficial Owner”) will be recorded on the DTC Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant or the Indirect DTC Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2001 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2001 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2001 Bonds; DTC’s records reflect only the identity of the DTC Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The County, the Registrar and the Paying Agent will not have any responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2001 Bonds, (b) the delivery to any DTC Participant or any Indirect Participant or any other person, other than Cede & Co., as nominee of DTC, as Bondholder on the registration books, of any notice with respect to the Series 2001 Bonds, including any notice of redemption, (c) the payment to any DTC Participant or Indirect Participant or any other Person, other than Cede & Co., as nominee of DTC, as Bondholder on the registration books, of any amount with respect to principal of, premium, if any, or interest on, the Series 2001 Bonds, or (d) any consent given by Cede & Co., as nominee of DTC as registered owner. So long as certificates for the Series 2001 Bonds are not issued pursuant to the Resolution and the Series 2001 Bonds are registered in the name of Cede & Co., as nominee for DTC, the County, the Registrar and the Paying Agent will treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Series 2001 Bonds for all purposes whatsoever, including, without limitation, the (a) payment of principal and interest on the Series 2001 Bonds, (b) giving notice of redemption and other

matters with respect to the Series 2001 Bonds, (c) registration of transfers with respect to the Series 2001 Bonds, and (d) selection of Series 2001 Bonds for redemption.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2001 BONDS, REFERENCE HEREIN TO THE BONDHOLDERS OR OWNERS (OTHER THAN UNDER THE CAPTION "TAX EXEMPTION" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2001 BONDS. SO LONG AS DTC OR ITS NOMINEE, CEDE & CO., IS THE REGISTERED OWNER OF THE SERIES 2001 BONDS, PAYMENTS OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON, THE SERIES 2001 BONDS WILL BE MADE DIRECTLY TO CEDE & CO., WHICH WILL REMIT SUCH PAYMENTS TO PARTICIPANTS OF DTC. SUCH PARTICIPANTS WILL, IN TURN, REMIT SUCH PAYMENTS TO THE BENEFICIAL OWNERS OF THE SERIES 2001 BONDS.

Conveyances of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to Cede & Co. If less than all of the Series 2001 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each DTC Participant in the Series 2001 Bonds to be redeemed. Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2001 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the Series 2001 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and premium, if any, and interest on the Series 2001 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on a payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on a payment date. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on, the Series 2001 Bonds to DTC is the responsibility of the County or the Trustee. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect DTC Participants.

Discontinuance of Securities Depository

DTC may discontinue providing its services with respect to the Series 2001 Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that the DTC book-entry only system is discontinued and it is not replaced with another book-entry system, the following provisions will apply: principal of the Series 2001 Bonds and redemption premium, if any, thereon will be payable in lawful money of the United States of America at the principal office of _____, _____, Florida, as Paying Agent (the "Paying Agent"). The transfer of the Series 2001 Bonds will be registrable and they may be exchanged at the principal office of the Registrar, upon the payment of any taxes, fees or other governmental charges required to be paid with respect to such transfer or exchange.

Registration, Transfer and Exchange

The Series 2001 Bonds will be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, subject to the DTC book-entry only system and to the provisions for registration, exchange and transfer contained in the Resolution and in the Series 2001 Bonds. The Series 2001 Bonds will be transferable only upon the registration books maintained for such purpose at the corporate office of the Registrar. So long as any of the Series 2001 Bonds remain outstanding, the Registrar must maintain and keep the bond registration books.

All Series 2001 Bonds presented for transfer or exchange (if so required by the County or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the County or the Registrar, duly executed by the Registered Owner or by his or her duly authorized attorney.

The Registrar may charge the Registered Owner a sum sufficient to reimburse it for any expenses incurred in connection with any exchange or transfer after the first such exchange or transfer following the initial delivery of the Series 2001 Bonds. The Registrar or the county may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any new Series 2001 Bond shall be delivered.

The County and the Registrar shall not be required to transfer or exchange any Series 2001 Bonds (a) during a period beginning at the opening of business on the 15th day next preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date next succeeding, or (b) selected for redemption in whole or in part, whether or not notice of redemption has been formally given.

New Series 2001 Bonds delivered upon any transfer or exchange will be valid obligations of the County, evidencing the same debt as the Series 2001 Bonds surrendered, will be secured by the Resolution, and will be entitled to all of the security and benefits of the Resolution to the same extent as the Series 2001 Bonds surrendered.

Whenever any Series 2001 Bonds shall be delivered to the Registrar for cancellation, upon payment of the principal thereof, or for replacement, transfer or exchange, such Series 2001 Bond shall be cancelled and destroyed by the Registrar as authorized by law, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the County.

DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service requirements for the Series 2001 Bonds and the outstanding Series 2000 Bonds for each Bond Year ending March 1.

Bond Year Ending March 1,	Series 2001 Bonds			Series 2000 Bonds	Total Debt Service
	Principal	Interest	Total	Accreted Value at Maturity	
2002		\$	\$		\$
2003	\$				
2004					
2005					
2006					
2007					
2008					
2009					
2010				\$ 945,000	
2011				945,000	
2012				945,000	
2013				945,000	
2014				945,000	
2015				945,000	
2016				945,000	
2017				945,000	
2018				945,000	
2019				945,000	
2020				945,000	
2021				945,000	
2022				945,000	
2023				945,000	
2024				945,000	
2025				945,000	
Totals:				\$15,120,000	

SECURITY FOR THE SERIES 2001 BONDS

General

The principal of and interest on the Bonds, including the outstanding Series 2000 Bonds, the Series 2001 Bonds and any Additional Parity Bonds hereafter issued under the Resolution, are payable from and secured by a prior lien upon and a pledge of payments received by the County derived from the six cent local option gas tax upon motor fuel and diesel fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes (the "Gas Tax Revenues"), and until applied in accordance with the provisions of the Resolution and to the extent not required to be rebated to the United States Treasury, all monies, including investment earnings thereon, in the funds and accounts established under the Resolution. Such monies and the Gas Tax Revenues are herein called collectively the "Pledged Funds."

THE SERIES 2001 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, BUT WILL BE PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN AND PLEDGE OF THE PLEDGED FUNDS. THE RESOLUTION PROVIDES THAT NO REGISTERED OWNER OR OWNERS OF ANY OF THE SERIES 2001

BONDS WILL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN FOR PAYMENT THEREOF, OR BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS.

Gas Tax Revenues

Section 336.025, Florida Statutes, authorizes counties to impose, for a period not to exceed 30 years, the Local Option Gas Tax upon every gallon of motor fuel and diesel fuel sold in each such county and taxed under Chapter 206, Florida Statutes. "Motor fuel" is defined as all gasoline products or any product blended with gasoline or any fuel placed in the storage supply tank of a gasoline powered motor vehicle. "Diesel fuel" is defined as all petroleum distillates commonly known as diesel #2 or any other product blended with diesel or any product placed in the storage tank of a diesel-powered motor vehicle. The Local Option Gas Tax is remitted by gasoline and diesel fuels dealers to the Florida Department of Revenue (the "Department") each month. In the next month, the Department deposits the tax into the Local Option Gas Tax Trust Fund (the "Gas Tax Fund") and the following month the Department, after subtracting a service charge of 7.3%, distributes moneys in the Gas Tax Fund to the counties that impose the tax and to eligible municipalities within such counties. The amount distributed by the Department for a given month is based on preliminary computations by the Department and may be increased or decreased based upon the Department's later final computations. Any such increase or decrease is added to or subtracted from the amount otherwise distributable in the month within which such final computations are made.

Disbursements from the Gas Tax Fund may be used only for the following programs: (1) public transportation operations and maintenance; (2) roadway and right-of-way maintenance and equipment; (3) roadway and right-of-way drainage; (4) street lighting; (5) traffic signs, traffic engineering, signalization and pavement markings; (6) bridge maintenance and operation; and (7) debt service and current expenditures for transportation capital projects in the foregoing areas, including construction and reconstruction of road.

The Board, by Ordinance Nos. 86-8 and 87-29, as amended (herein collectively, the "Ordinance"), levied a Local Option Gas Tax totaling six cents; two cents from September 1, 1986, and four cents from September 1, 1987, ending on March 1, 2009. The Board by Ordinance No. 00-24 and 00-25 extended the imposition of the Local Option Gas Tax until March 21, 2025 as to the two cent Local Option Gas Tax and August 31, 2025 as to the four cent Local Option Gas Tax. Ordinance No. 2000-41, enacted October 16, 2000, was adopted to clarify Ordinance 2000-24 by reimposing the tax for a period not to exceed 30 years as required by Section 336.025, Florida Statutes. Ordinance No. 2000-42, enacted October 16, 2000, was enacted to clarify Ordinance No. 2000-25, by reimposing the tax for a period not to exceed 30 years as required by Section 336.025, Florida Statutes. In the Resolution, the County has pledged its entire portion of the Local Option Gas Tax Revenues received from the Department as security for the Bonds.

Sections 336.025 and 206.41, Florida Statutes, also authorizes the levy by the County of up to an additional five cent local option gas tax. This additional tax has not been levied or pledged by the County.

Eligibility for Distributions

Chapter 336.025, Florida Statutes, provides that only those municipalities and counties eligible for participation in the distribution of monies under Chapter 218, Parts II and IV, Florida Statutes (the "State Revenue Sharing Act"), are eligible to receive Local Option Gas Tax Revenues.

The State Revenue Sharing Act provides, in effect, that local governments shall be eligible to receive distributions thereunder only if they comply with certain statutory requirements concerning financial reporting, auditing, levying of taxes and raising of revenues, as well as certifying compliance with statutes governing the employment of law enforcement officers and firefighters.

The County represents that it has had no difficulty in complying with the statutory eligibility requirements under the State Revenue Sharing Act in the past, and that it anticipates no difficulty done so in the future.

Historical Gasoline Sales in the County

The volume of motor and diesel fuel sold in the County is set forth below for the years indicated:

State Fiscal Year Ended June 30,	Number of Gallons ¹		
	Gasoline	Diesel Fuel	Total
1991	26,594,609	10,474,358	37,068,967
1992	27,030,877	9,591,514	37,622,391
1993	26,362,115	10,087,760	36,449,875
1994	25,692,566	9,130,053	34,822,619
1995	25,655,190	8,500,790	34,155,980
1996	25,507,110	6,969,984	32,477,094
1997	27,866,845	7,792,569	35,659,414
1998	27,493,886	7,629,658	35,123,544
1999	26,471,526	7,863,908	34,335,434
2000	25,625,891	8,055,626	33,681,516
2001	26,245,294	8,103,104	34,348,398

Source: State of Florida, Department of Revenue, Office of Tax Research

¹Rounded

Receipts by the County from the Department of the Local Option Gas Tax for July through October 2000 and 2001 are set out below.

	Local Option Gas Tax Receipts	
	2000	2001
July	\$108,174	\$133,389
August	140,345	164,810
September	126,739	115,262
October	134,102	123,935

Gas Tax Receipts

State Fiscal Year Ending June 30 ¹	Total Gallons	Gas Tax Collected at \$0.06 Per Gallon	Less Service Charge to State of Florida ²	Less 1.3% Dealer Deduction ³	Total Available for Distribution to Nassau County and Eligible Municipalities	Distribution to Nassau County
1990	37,794,355	\$2,267,661	\$136,693	\$29,617	\$2,101,351	\$1,674,824
1991	37,068,967	2,224,138	162,362	28,914	2,032,852	1,685,968
1992	36,622,391	2,197,343	160,406	24,420	2,012,517	1,525,832
1993	36,449,875	2,186,993	159,650	28,650	1,998,693	1,634,643
1994	34,822,619	2,089,357	152,523	27,370	1,909,464	1,588,350
1995	34,155,980	2,049,359	149,603	26,847	1,872,909	1,557,705
1996	32,477,094	1,948,826	142,118	25,309	1,781,199	1,406,014
1997	35,659,414	2,139,565	156,188	27,814	1,955,563	1,558,064
1998	35,123,544	2,107,413	153,841	27,396	1,926,175	1,643,326
1999	34,335,434	2,060,126	150,389	26,781	1,882,956	1,498,433
2000	33,681,516	2,020,891	147,525	26,272	1,847,094	1,469,859
2001	34,348,398	2,060,904	150,446	26,792	1,883,666	1,505,179

Source: State of Florida, Department of Revenue, Office of Tax Research
Records of fuel consumption are maintained on a State of Florida fiscal year basis.
Pursuant to Sections 215.20 and 215.22, Florida Statutes, the service charge is payable to the General Fund of the State as representing the estimated pro rata share of the cost of general government.
Average deductions permitted under Section 206.43, Florida Statutes, on account of services and expenses incurred by the dealer in complying with the law.

Distribution of Local Option Gas Tax Between Nassau County and All Municipalities Within the County

The Local Option Gas Tax is distributed among the County and its underlying municipalities in accordance with Section 336.025(4), Florida Statutes, which states in part:

“If the tax authorized pursuant to paragraph (1)(a) is levied under the circumstances of subparagraph (3)(a)2. or paragraph (3)(b), the proceeds of the tax shall be distributed among the county government and eligible municipalities based on the transportation expenditures of each for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. After the initial levy of a tax...the proportions shall be recalculated every 10 years based upon the transportation expenditures of the immediately preceding 5 years. However...the amounts distributed to the county government and each municipality shall not be reduced below the amount necessary for the payment of principal and interest and reserves...as required under the covenants of any bond resolution outstanding on the date of the recalculation.”

Pursuant to the Ordinance, the County levied the two cent portion of the Local Option Gas Tax on September 1, 1986, and the four cents portion of the Local Option Gas Tax on September 1, 1987. Transportation expenditures for the five fiscal years preceding the years in which the respective portions of the Local Option Gas Tax were calculated is as follows:

Two Cents Portion

	<u>1990/91</u>	<u>1991/92</u>	<u>1992/93</u>	<u>1993/94</u>	<u>1994/95</u>	<u>5 Year Total</u>	<u>Distribution Percent</u>
Nassau County	\$4,696,874	\$5,659,141	\$5,206,612	\$6,233,781	\$5,100,301	\$26,896,709	81.9961%
Town of Callahan	90,934	68,896	71,886	53,476	56,970	342,162	1.0431%
Town of Hilliard	103,041	118,329	293,097	282,496	292,235	1,089,198	3.3205%
City of Fernandina Beach	765,202	781,211	681,660	750,770	1,495,515	4,474,358	13.6403%
Total	\$5,656,051	\$6,627,577	\$6,253,255	\$7,320,523	\$6,945,021	\$32,802,427	100.0000%

Four Cents Portion

	<u>1991/92</u>	<u>1992/93</u>	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	<u>5 Year Total</u>	<u>Distribution Percent</u>
Nassau County	\$5,656,141	\$5,206,612	\$6,233,781	\$5,100,301	\$5,343,099	\$27,633,924	81.1401%
Town of Callahan	68,896	71,886	53,476	54,307	56,970	342,162	1.0431%
Town of Hilliard	118,329	293,097	282,496	258,829	292,235	1,089,198	3.3205%
City of Fernandina Beach	781,211	681,660	750,770	1,495,515	1,163,463	4,872,619	14.3072%
Total	\$6,627,577	\$6,253,255	\$7,320,523	\$6,945,021	\$6,910,688	\$34,057,064	100.0000%

Based on the above transportation expenditures, adjusted to account for the outstanding indebtedness of the Town of Hilliard, the percentage of the Local Option Gas Tax allocated to the County and each of the eligible municipalities for the second 10 years of each respective levy was recalculated in 1996 and 1997, respectively, to be as follows:

County of Nassau	79.3613%
Town of Callahan	0.9458%
Town of Hilliard	5.6080%
City of Fernandina Beach	14.0849%
Total	100.0000%

Source: Nassau County

Coverage of Maximum Annual Debt Service Requirement

	State of Florida						
	Fiscal Year Ended June 30,						
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Pledged Funds	\$1,557,705	\$1,406,014	\$1,558,064	\$1,643,326	\$1,498,433	\$1,469,859	\$1,505,179
Maximum Annual Debt Service Requirement on the Refunded Bonds and the Series 2000 Bonds	945,170	945,170	945,170	945,170	945,170	947,958	939,908
Debt Service Coverage Ratio	1.65x	1.49x	1.65x	1.74x	1.59x	1.55x	1.60x

Reserve Account

The Resolution requires the establishment of a Reserve Account in an amount equal to the Reserve Account Requirement, as defined in the Resolution. The County currently has on deposit in the Reserve Account a Municipal Bond Debt Service Reserve Fund Policy (the "1992 Reserve Policy") provided by Financial Guaranty Insurance Company ("Financial Guaranty") in connection with the issuance of the Refunded Bonds in the amount of the Maximum Annual Debt Service Requirement, as defined in the resolution relating to the issuance of the Refunded Bonds, on the Refunded Bonds, which is the Reserve Account Requirement for the Refunded Bonds. The 1992 Reserve Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Refunded Bonds and Additional Parity Bonds, including the Series 2000 Bonds and the Series 2001 Bonds (herein sometimes referred to collectively as the "Bonds") issued under the Resolution which has become due for payment, but shall be unpaid by reason of nonpayment by the County, provided that the aggregate amount paid under the 1992 Reserve Policy may not exceed \$945,170. Financial Guaranty will make such payments to the paying agent (the "Paying Agent") for the Bonds on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice subsequently confirmed in writing or written notice by registered or certified mail from the Paying Agent of the nonpayment of such amount by the County. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final nonappealable order of a court having competent jurisdiction.

The 1992 Reserve Policy is non-cancellable and the premium was fully paid at the time of delivery of the Refunded Bonds. The 1992 Reserve Policy covers failure to pay principal of Bonds on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any date on which the Bonds may have been accelerated, and covers the failures to pay an installment of interest on the stated date for its payment. The 1992 Reserve Policy shall terminate on March 1, 2009.

Generally, in connection with its issuance of a reserve policy, Financial Guaranty requires, among other things, (i) that, so long as it has not failed to comply with its payment obligations under the reserve policy, it be granted the power to exercise any remedies available at law or under the authorizing document other than (A) acceleration of the bonds or (B) remedies which would adversely affect holders in the event that the issuer fails to reimburse Financial Guaranty for any draws on the reserve policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent.

The 1992 Reserve Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of June 30, 2001, the total capital and surplus of Financial Guaranty was approximately \$1.181 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street,

New York, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone number: 212-480-5187).

The County also has on deposit in the Reserve Account a Surety Bond in the amount of the Reserve Account Requirement (\$945,000) for the Series 2000 Bonds. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance Corporation (“Ambac Assurance”) of a demand for payment executed by the Paying Agent certifying that provision for the payment of principal of or interest on the Series 2000 Bonds or Additional Parity Bonds, including the Series 2001 Bonds when due has not been made or (ii) the interest payment date specified in the Demand for payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2000 bonds or Additional Parity Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the County is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety bond Coverage. The reimbursement obligation of the County is subordinate to the County’s obligations with respect to the Series 2000 Bonds.

In the event the amount on deposit, or credited to the Reserve Account, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Reserve Account have been expended. In the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the Surety Bond, includes amounts available under the letter of credit, insurance policy, surety bond or other such funding instrument (the “Additional Funding Instrument”), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Resolution provides that the Reserve Account shall be replenished in the following priority: (i) principal and interest on the Surety Bond shall be paid from first available Pledged Funds; (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Account to the required level, after taking into account the amounts available under the Surety Bond and any Additional Fund Instrument shall be deposited from next available Pledged Funds.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Paying Agent.

The insurance provided by the Surety Bond is not covered by the Florida Insurance Guaranty Association.

Additional Parity Bonds

Pursuant to the Resolution, the County may issue Additional Parity Bonds payable on a parity from the Pledged Funds with the outstanding Series 2000 Bonds and the Series 2001 Bonds, upon the following terms and conditions:

1. There shall have been obtained and filed with the County a statement of an independent certified public accountant of reasonable experience and responsibility: (a) stating that he has compiled and/or reviewed the books and records of the County relating to the collection and receipt of the Gas Tax Revenues; (b) setting forth the amount of the Gas Tax Revenues received by the County for 24 consecutive months out of the 30-month period immediately preceding the proposed date of delivery of such Additional Parity Bonds; and (c) stating that the Gas Tax Revenues received for each two consecutive 12-month periods of such 24 consecutive months are at least equal to 1.50 times the

Maximum Debt Service Requirement to become due in any ensuing Bond Year on the Bonds then outstanding, and the Additional Parity Bonds proposed to be issued, and at least 1.00 times all amounts then due and owing to the issuer of a Reserve Account insurance policy, surety bond or letter of credit. Notwithstanding the foregoing, in the event any Additional Parity Bonds are issued for the purpose of refunding any Bonds, the foregoing conditions of this paragraph 1 shall not apply, provided that the issuance of such Additional Parity Bonds shall not result in an increase in the aggregate amount of principal of and interest on the outstanding Bonds becoming due in the current Fiscal Year and all subsequent Fiscal Years. However, the foregoing conditions of the paragraph 1 shall apply to Additional Parity Bonds issued for refunding purposes which cannot meet the conditions of the preceding sentence.

2. The Resolution authorizing the Additional Parity Bonds will recite that all applicable covenants contained in the Resolution apply to the Additional Parity Bonds.

3. The Ordinance shall have been amended, as necessary, to impose the Local Option Gas Tax until final maturity of the Additional Parity Bonds proposed to be issued.

4. The County shall not be in breach of the covenants and obligations assumed under the Resolution, and all payments required to have been made into the Funds and Accounts created under the Resolution shall be made to the full extent required.

5. No Additional Parity Bonds may be issued without the consent of the issuer of any Reserve Account insurance policy, surety bond or letter of credit, if amounts are past due and owing under such instruments.

6. Upon the issuance of Additional Parity Bonds, the County shall deposit into the Reserve Account an amount of cash or Authorized Instruments or, upon compliance with the provisions of the Resolution, a Reserve Account insurance policy, surety bond or Letter of Credit, equal to the Reserve Account Requirement for such Bonds. Under certain circumstances, such amount may be accumulated within three years after the issuance of such Bonds.

COVENANTS OF COUNTY REGARDING GAS TAX REVENUES

Accounting Records

The County shall maintain separately identifiable accounting records for receipt of the Pledged Funds, by the use of a fund established in accordance with generally accepted accounting practice, and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the County relating thereto. Within 180 days of the close of each fiscal year, the County shall have its books and records related to the Pledged Funds audited by an independent certified public accountant.

No Impairment of Contract

The County has full power and authority to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Series 2001 Bonds. The pledge of such Pledged Funds, in the manner provided in the Resolution, shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance or other proceedings of the County or by any subsequent act of the Legislature of the State of Florida, unless the County shall have provided, or such Legislature shall have made immediately available to the County, such additional or supplemental funds which shall be sufficient to retire the Series 2001 Bonds and the interest thereon in accordance with their terms. The

County shall take all actions necessary and pursue such legal remedies which may be available to it either in law or in equity to prevent or cure any impairment. Furthermore, the County agrees that if it enters into any subsequent agreement with respect to the distribution of Gas Tax Revenues, such agreement shall not diminish or reduce in any way, the County's current share of the Gas Tax Revenues.

Remedies

Any trustee or any registered owner of Series 2001 Bonds acting for the registered owners of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution or by any applicable statutes to be performed by the County or by any officer thereof. Nothing in the Resolution, however, shall be construed to grant to any registered owner of such Bonds any lien on any property of or within the corporate boundaries of the County; except as provided in the Resolution. No registered owner of Series 2001 Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of the Resolution or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all registered owners of the Series 2001 Bonds.

If any payments of debt service requirements are made by a municipal bond insurer with respect to Bonds which have not been defeased in accordance with the provisions of the Resolution, the lien upon and pledge of the Pledged Funds and all covenants and other obligations of the County to the registered owners shall continue to exist and the insurer shall be subrogated to the rights of the registered owners of such Bonds with respect to the debt service requirements paid or insurance by such municipal bond insurer.

MUNICIPAL BOND INSURANCE

The information under this heading has been provided by Financial Guaranty.

Bond Insurance

Concurrently with the issuance of the Series 2001 Bonds, Financial Guaranty will issue its Municipal Bond New Issue Insurance Policy for the Series 2001 Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Series 2001 Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the County of the Series 2001 Bonds. Financial Guaranty will make such payments to State Street Bank and Trust Company, N.A., or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraph notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of the Series 2001 Bonds or the Paying Agent of the nonpayment of such amount by the County. The Fiscal Agent will disburse such amount due on any Series 2001 Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal and interest due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Series 2001 Bond includes any payment of principal or interest made to an owner of a Series 2001 Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Series 2001 Bonds. The Policy covers failure to pay principal of the Series 2001 Bonds on their respective stated maturity dates or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Series 2001 Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, Financial Guaranty requires, among other things, (i) that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without Financial Guaranty's consent, in each case so long as Financial Guaranty has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Series 2001 Bonds are set forth in the Resolution appearing in Appendix C to this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the County is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the Series 2001 Bonds (see "RATINGS" herein) and reference should be made to such section for a discussion of such ratings and the basis for their assignment to the Series 2001 Bonds. Reference should be made to the description of the County for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of June 30, 2001, the total capital and surplus of Financial Guaranty was approximately \$1.181 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 115 Broadway, New York, New York 10006, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone: 212-480-5187).

APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION

Creation of Funds and Accounts

In the Resolution, the County establishes four (4) separate funds: the Revenue Fund, the Sinking Fund (including the Reserve Account and the Bond Amortization Account therein), the Costs of Issuance Fund and the Construction Fund.

Accounting Treatment of Funds and Accounts

The Resolution provides that the moneys required to be accounted for in each of the funds and accounts may be deposited in a single bank account, and the moneys allocated to the various funds and accounts may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts.

The designation and establishment of the various funds and accounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

Flow of Funds

Pursuant to the Resolution, the County has covenanted that the Gas Tax Revenues shall be deposited, as received, to the credit of the Revenue Fund. The moneys in the Revenue Fund will be disposed of on or before the 25th day of each month as follows:

(a) First to the Sinking Fund in such sums as will be sufficient to pay 1/6th of all interest becoming due on the Current Interest Paying Bonds on the next semiannual interest payment date therefor, plus the amount of any prior deficiencies (if Bonds with a variable rate of interest are outstanding, the County shall deposit in lieu of the 1/6th interest deposit described above, the interest actually accruing on such Series 2001 Bonds for such month, assuming the interest rate thereon on the first day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month); 1/6th or 1/12th, as the case may be, of all principal maturing on the Current Interest paying Series Bonds authorized herein on the next maturity date, plus the amount of any

prior deficiencies; and 1/6th or 1/12th, as the case may be, of the Compounded Amount next becoming due on any Serial Capital Appreciation Bonds whether by reason of maturity or earlier redemption thereof, plus the amount of any prior deficiencies, and an amount sufficient to pay the fees and charges of the Bond Registrar and Paying Agent. In the event the first interest payment date or first principal maturity date shall occur either more or less than six months or 12 months, as the case may be, after the delivery of any of the Series 2001 Bonds, then the payments required above shall be adjusted accordingly to provide for the payment of such principal and interest.

(b) On a parity with the Sinking Fund payments, Gas Tax Revenues shall simultaneously be applied and allocated to the Bond Amortization Account, to the extent required, in such sums as will be equal to one-twelfth of the Amortization Installment, as defined in the Resolution, required to be made on the next annual payment date for term Bonds, plus the amount of any prior deficiencies.

(c) Next to the Reserve Account, an amount sufficient to (i) reinstate any Reserve Account insurance policy or letter of credit claims or draws, (ii) to replenish any cash withdrawals and (iii) reimburse the issuer of any Reserve Account insurance policy or letter of credit for its fees and expenses.

(d) The balance of the Gas Tax Revenues remaining after the above required payments (including any deficiencies in prior payments) and interest owed on any amounts advanced under a reserve account insurance policy, surety bond or letter of credit have been made, may be used for any lawful purpose.

INVESTMENT CONSIDERATIONS

General

Investment in any municipal security involves some degree of risk. Political, economic and regulatory factors may affect the issuers of Florida municipal securities, including the County. One gauge of economic activity in the County is its receipt from the Department of a portion of certain state sales tax revenues. The County's receipts of its one-half cent sales tax for the months of July through October 2000 and 2001 is set out below. Receipts from the Department generally reflect sales activity for the month preceding the month of receipt.

	Local One-Half Cent Sales Tax	
	<u>2000</u>	<u>2001</u>
July	\$246,769	\$243,012
August	242,012	284,360
September	223,640	245,141
October	229,922	208,568

Pledged Funds

The amount of Pledged Funds collected by the County may fluctuate as the price of motor and diesel fuel fluctuates. Historically, the County has experienced decreases in collections of taxes associated with the sale of motor and diesel fuel as the costs of such items increase. A sustained increase in the costs of motor and diesel fuel may have a materially adverse effect on the amount of Pledged Funds collected. The County is located on the border with the State of Georgia. Motor and diesel fuel is usually

less expensive in Georgia than in Florida in part because of different tax structures in those states. The county in Georgia which is due north and contiguous to the County has retail outlets for motor vehicle fuel which typically sell at prices which are less than those of retail outlets in the County.

Enforceability of Remedies

The remedies available to the owners of the Series 2001 Bonds upon a default in payment of the Series 2001 Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the municipal bond insurance policy may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2001 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery and by the exercise of judicial discretion.

NASSAU COUNTY, FLORIDA

Background

Nassau County is one of four counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is 34 miles north of Jacksonville (Duval County). It is bordered on the north by the State of Georgia, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Mary's River and the Atlantic Ocean. Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

The County's population has shown a steady growth. The table below shows the population for the County and the steady growth it has had through the years.

1940 U.S. Census	10,826
1950 U.S. Census	12,811
1960 U.S. Census	17,189
1970 U.S. Census	20,626
1980 U.S. Census	32,894
1990 U.S. Census	43,941
2000 U.S. Census	57,663

Government

The Board of County Commissioners of the County (the "Board"), is the principal legislative and governing body of the County, as provided by the Florida Constitution and Chapter 125, Florida Statutes. The Board consists of five commissioners elected by the voters for staggered terms of four years. The Chairman and Vice Chairman are elected by the Board. The present commissioners and their terms are as follows:

<u>Member</u>	<u>Term Began</u>	<u>Term Ends</u>
Marianne Marshall, Chairman	November 2000	November 2004
David C. Howard, Vice Chair	November 1998	November 2002
Nick D. Deonas, Commissioner	November 2000	November 2004
Vicki Samus, Commissioner	November 2000	November 2004
Floyd L. Vanzant, Commissioner	November 1998	November 2002

Administration

The County Coordinator is appointed by the Board and is responsible for the administration, operation and maintenance of the County, excepting those responsibilities specifically delegated to other appointed officials. There is no definite term of office of the County Coordinator, as he or she holds office at the pleasure of the Board. Among the duties of the County Coordinator are the appointment of subordinate officers and employees, the supervision of departments, the making of recommendations to the Board, the submission of an annual budget, and the submission of an annual report of the operations of the County for the preceding fiscal year.

For administrative purposes, the County is divided into departments. Currently, there are thirteen (13) departments including the County Coordinator's office.

Budgetary Process

Chapter 129, Florida Statutes, requires that the County's annual fiscal year budget be legally adopted at the fund level, and that any expenditures or contract of the expenditures of the fiscal year for more than the amount budgeted in each fund's budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution of the Board, subject to public hearing. Such resolution sets the budget appropriations on a fund-by-fund basis for the governmental and proprietary fund types. Budgets for the capital improvements program and the debt service fund are legally required. Budgets for agency and fiduciary funds are not legally required or adopted. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended. Outstanding encumbrances also lapse, but may be re-established in the succeeding fiscal year budget.

The Clerk of the Circuit Court prepares and submits the annual budget for the succeeding fiscal year, beginning October 1, to the Board. Prior to the presentation to the Board, the various departments submit budget requests and prepare recommendations for the Clerk's consideration. A summary of the tentative budget is advertised, publicly reviewed and revised prior to approval and adoption by the Board before the end of the prior fiscal year. The total appropriation for a fund may only be changed by resolution of the Board. Only the Board may approve an increase to a fund's budget and may transfer funds from an appropriated reserve to an expenditure appropriation, or change the amounts budgeted for a Constitutional Officer (Clerk of the Circuit Court, Supervisor of Elections and Sheriff).

If a budget is not enacted by October 1, Florida law provides for continued operation under the previous year's budget, subject to any amendments. For additional information regarding the County, see Appendix A hereto.

Description of Financial Practices and Financial Statements

The financial statements of the County are prepared in conformity with Generally Accepted Accounting Principles. The County uses funds and accounts groups to report on its financial position and

the results of its operations. A summary of significant accounting policies of the County is contained in the notes to the County's financial statements, which are included in Appendix B hereto.

Investment Policy

Section 218.415, Florida Statutes, requires that the County either adopt its own, written investment policy or invest moneys only as permitted by the provisions of Section 218.415. Pursuant to Resolution No. 95-144, duly adopted on September 25, 1995, the County adopted an Investment Policy that has as its objectives the (a) protection of County Funds; (b) providing of sufficient liquidity to meet the County's operating, payroll and capital requirements; (c) maximization of return on the investment portfolio, while minimizing the investment risk, and (d) setting of procedures to properly diversify the investment portfolio and minimize the inherent risk associated with investment portfolios. The "prudent person" standard is required to be used in the management of the County's investment portfolio. Authorized instruments include:

- A. The Florida Local Government Surplus Funds Trust Funds (SBA)
- B. Negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to, the following:
 1. Cash Management Bills
 2. Treasury Securities-State and Local Government Series (SLGS)
 3. Treasury Bills
 4. Treasury Notes
 5. Treasury Bonds
 6. Treasury Strips
- C. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government. Such securities will include, but not be limited to, the following:
 1. United States Export-Import Bank
Direct obligations or fully guaranteed certificates of beneficial ownership
 2. Farmers Home Administration Certificates of beneficial ownership
 3. Federal Financing Bank Discount notes, notes, and bonds
 4. Federal Housing Administration Debentures
 5. General Services Administration Participation Certificates
 6. Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed bonds
GNMA-guaranteed pass-through obligations
 7. United States Maritime Administration
Guaranteed Title XI financing
 8. New Communities Debentures
United States government guaranteed debentures
 9. United States Public Housing Notes and Bonds
United States Government guaranteed public housing notes and bonds
 10. United States Department of Housing and Urban Development-Project notes
and local authority bond

D. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government agencies (Federal Instrumentalities) which are non-full faith credit agencies limited to the following:

1. Federal Farm Credit Bank (FFCB)
2. Federal Home Loan Bank or its district banks (FHLB)
3. Federal National Mortgage Association (FNMA)
FNMA-guaranteed pass-through obligations
4. Federal Home Loan Mortgage Corporation (Freddie-Macs) including
Federal Home Loan Mortgage Corporation participation certificates
FHLMC-guaranteed pass-through obligations
5. Student Loan Marketing Association (Sallie-Mae)
6. Tennessee Valley Authority (TVA)

E. Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks or savings associations organized under the laws of this state and/or national banks or savings associations organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured pursuant to the Florida Security of Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service. The Money Manager shall have the responsibility for reviewing credit watch status.

F. Repurchase agreements comprised of only those investments as authorized in Sections B, C and D.

G. Derivative securities, defined as a financial instrument the value of which depends on or is derived from the value of one or more underlying assets or index of asset values. Securities of this type which are prohibited investments include:

1. Reverse repurchase agreements.
2. Floating rate securities whose coupon floats inversely to an index or whose coupon is determined based upon more than one index.
3. Tranches of Collateralized Mortgage Obligations (CMOs) with the following characteristics: receives only the interest or principal from the underlying mortgage securities, commonly referred to as "IO's" and "PO's."
4. Securities whose future coupon may be suspended because of the movement of interest rates or an index.

Investment in these securities shall be limited to those types previously authorized herein and only be utilized if recommended by the Money Manager.

The County will not use leverage in its investment portfolios.

H. Any investment authorized or permitted by Florida Statutes or any other law of the State of Florida controlling the investment of public funds of a County.

The Investment Policy of the County authorizes the Clerk to contact with an outside money manager for investment of County funds. The Investment Policy also requires that securities be purchased at "prevailing market rates." Investment of 100% of the County's portfolio is permitted to be in the Florida Local Government Surplus Trust Fund (SBA).

GENERAL PURPOSE FINANCIAL STATEMENTS

Included in Appendix B are excerpts of the audited general purpose financial statements of the County as of September 30, 2000 and for the year then ended. Such excerpts from the Comprehensive Annual Financial Report, including the auditor's report, have been included in this Official Statement and the auditor has consented to such inclusion. The auditor has not performed any services relating to the issuance of the Series 2001 Bonds. Also included in Appendix B are excerpts of the unaudited general purpose financial statements of the County as of September 30, 2001 and for the year then ended.

The Series 2001 Bonds are payable from the Pledged Funds, as described herein. The General Purpose Financial Statements included in Appendix B are presented for general information purposes only.

LITIGATION

The County is a defendant from time to time in various lawsuits. It is the opinion of the County Attorney that none of the actions presently pending will have a material effect upon the finances of the County or its right to receive, budget, and appropriate the Pledged Funds as provided in the Resolution. There is no pending or, to the knowledge of the County, threatened litigation against the County which in any way questions or affects the validity of the Series 2001 Bonds, or any proceedings or transactions relating to their issuance, sale, delivery or payment.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2001 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for the purpose of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2001 Bonds received by certain corporations will, however, be includable in the computation of the federal alternative minimum tax imposed on corporations by the Internal Revenue Code of 1986, as amended (the "Code") as hereinafter discussed. Failure by the County to comply subsequent to the issuance of the Series 2001 Bonds with certain requirements of the Code regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2001 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The County has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2001 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2001 Bonds, including, among other things, restrictions relating to the use of the investment of proceeds of the Series 2001 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2001 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2001 Bonds being included in gross income for federal income tax purposes retroactive to their date of

issue. The County has covenanted in the Resolution to take all actions necessary to comply with such provisions of the Code.

Collateral Tax Consequences

Except as described below, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2001 Bonds. Prospective purchasers of Series 2001 Bonds should be aware that the ownership of Series 2001 Bonds may result in other collateral federal income tax consequences. For example, ownership of Series 2001 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2001 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2001 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2001 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, the Series 2001 Bonds and the income thereon are exempt from all present tangible personal property taxes imposed pursuant to Chapter 1999, Florida Statutes.

Other Tax Matters

Interest on the Series 2001 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2001 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2001 Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases, enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2001 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2001 Bonds. From time to time, legislative proposals are pending which could have an effect on both the Series 2001 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2001 Bonds.

LEGAL OPINION

Legal matters incident to the issuance of the Series 2001 Bonds and with regard to the tax-exempt status of the interest on the Series 2001 Bonds (see "TAX EXEMPTION") are subject to the legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, whose fees and expenses for legal services as Bond Counsel will be paid from a portion of the proceeds of the Series 2001 bonds. The signed legal opinion,

dated and premised on law in effect as of the date of original delivery of the Series 2001 Bonds, will be delivered to the Underwriters at the time of original delivery.

The proposed text of the legal opinion is set forth as Appendix D. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Bond Counsel has not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Official Statement or any other offering material related to the Series 2001 Bonds except as may be provided in a supplemental opinion of Bond Counsel to the Underwriters (upon which only the Underwriters may rely) which shall relate only to certain statements and information contained under the captions "INTRODUCTION," "PURPOSE OF THE SERIES 2001 BONDS," "REFUNDING PLAN," "DESCRIPTION OF THE SERIES 2001 BONDS," "SECURITY FOR THE SERIES 2001 BONDS," "APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION," "ADDITIONAL BONDS," and "TAX EXEMPTION," or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2001 Bonds.

Certain other legal matters incident to the issuance of the Series 2001 Bonds will be passed upon for the County by Michael S. Mullin, County Attorney, and Rogers, Towers, Bailey, Jones & Gay, P.A., Disclosure Counsel.

ADVISORS AND CONSULTANTS

The County has retained certain advisors and consultants in connection with the issuance of the Series 2001 Bonds. These advisors and consultants are compensated from a portion of the proceeds of the Series 2001 Bonds, identified as "Issuance Costs" under the heading "SOURCES AND USES OF FUNDS" herein; and their compensation is, in some instances, contingent upon the issuance of the Series 2001 Bonds and the receipt of the proceeds thereof.

Financial Advisor. The County has retained William R. Hough & Co., Jacksonville, Florida, as financial advisor (the "Financial Advisor") in connection with the preparation of the County's plan of financing and with respect to the authorization and issuance of the Series 2001 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

Bond Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, represents the County as Bond Counsel with respect to the issuance of the Series 2001 Bonds. As Bond Counsel, Nabors, Giblin & Nickerson, P.A. is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

Disclosure Counsel. Rogers, Towers, Bailey, Jones & Gay, P.A., Jacksonville, Florida, represents the County as Disclosure Counsel with respect to the issuance of the Series 2001 bonds. As Disclosure Counsel, Rogers, Towers, Bailey, Jones & Gay, P.A., is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

RATINGS

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and Fitch, Inc. ("Fitch") are expected to assign ratings of "AAA" and "AAA," respectively, to the Series 2001 Bonds, with the understanding that, upon delivery of the Series 2001 Bonds, the municipal bond insurance policy will be issued by Financial Guaranty. Such ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P, 55 Water Street, New York, New York 10041 and Fitch, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2001 Bonds.

UNDERWRITING

SunTrust Capital Markets, Inc., A.G. Edwards & Sons, Inc. and First Union National Bank's Municipal Securities Dealer, a division of First Union National Bank, (collectively, the "Underwriters") have agreed to purchase the Series 2001 Bonds from the County, at a price of \$_____, excluding the Underwriters' discount in the amount of \$_____, for the purpose of resale. The Underwriters have furnished the information in this Official Statement pertaining to the public offering price of the Series 2001 Bonds. The public offering price of the Series 2001 Bonds may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering price to certain dealers. None of the Series 2001 Bonds will be delivered by the County to the Underwriters unless all of the Series 2001 Bonds are so delivered. First Union National Bank conducts its investment banking, institutional and retail securities, and capital markets businesses through its various bank, dealer-broker and non-bank subsidiaries including First Union National Bank's Municipal Securities Dealer under the trade name Wachovia Securities.

CONTINUING DISCLOSURE

The County has agreed and undertaken pursuant to a Continuing Disclosure Certificate for the benefit of the holders of the Series 2001 Bonds in order to assist the Underwriters in complying with the continuing disclosure requirements of S.E.C. Rule 15c2-12 (the "Rule"), to provide certain financial information and operating data relating to the County and the Series 2001 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such undertaking shall only apply so long as the Series 2001 Bonds remain outstanding under the Resolution. The Annual Report and audited financial statements will be filed annually by the County pursuant to the undertaking with each Nationally Recognized Municipal Securities Information Repository ("NRMSIRs"), as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the County with the Municipal Securities Rulemaking Board or the NRMSIRs and with the SID. The specific nature of the information contained in the Annual Report and the notices of material events are described in the Continuing Disclosure Certificate, a copy of which is attached hereto as Exhibit F.

MISCELLANEOUS

The references, excerpts and summaries of all documents, resolutions, and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to the Series 2001 Bonds, the security for and the repayment of the Series 2001 Bonds and the rights and obligations of the holders thereof.

The execution and delivery of this Official Statement has been duly authorized by the County.

NASSAU COUNTY, FLORIDA

Chairman, Board of County Commissioners

By: _____

By: _____

Clerk of the Circuit Court in and for Nassau
County, Florida, ex-officio Clerk of the
Board of County Commissioners

By: _____

County Coordinator

Jax;482445v1

Appendix A

General Information Concerning Nassau County, Florida

The following information concerning Nassau County, Florida (the "County") has been derived from various sources compiled by the County and is included only for purposes of supplying information regarding the County. For additional information concerning the County, see "NASSAU COUNTY, FLORIDA" in the body of the Official Statement and Appendix "B" to the Official Statement.

**NASSAU COUNTY FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2001**

GENERAL INFORMATION

Nassau County (the "County") is located at Florida's Northeastern corner. The County is bordered by the State of Georgia to the north, the Atlantic Ocean to the east, the State of Georgia and Baker County to the west and Duval County to the south.

Nassau County was established on December 29, 1824 by separation from Duval County, Florida.

The County offers a diversity of landscapes from rural, wooded areas to beaches and bodies of water ranging from secluded rivers to bays and ocean.

Nassau was the 10th county formed among a total of 67 in the State of Florida.

County Government

Governing Body:	Nassau County Board of County Commissioners
Number of Seats:	5
Length of Term:	4 years
Chairman:	Chosen annually by fellow Commissioners
Municipalities:	Callahan, Fernandina Beach, Hilliard
Land Area:	649 square miles

Source: Florida County Atlas

**NASSAU COUNTY FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2001**

Population

Nassau County	60,218
Unincorporated	45,405
Incorporated	14,813

Source: University of Florida, Bureau of Economic and Business Research

Elections

Number of Registered voters at September 30, 1999:

Democrat	17,213
Republican	15,479
Other Parties	882
Party	3,786
TOTAL	<u>37,360</u>

Source: Nassau County Supervisor of Elections

Labor Force

	<u>Total</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate</u>
1996	26,046	24,993	1,053	4.0%
1997	26,908	25,922	986	3.7
1998	27,527	26,606	921	3.3
1999	28,258	27,304	954	3.4
2000	29,599	28,660	939	3.2
2001	31,166	30,117	1,049	3.4

Source: Nassau County Economic Development Board

Education

<u>Public Schools (as of June 30, 1999)</u>	<u>Number</u>
Elementary (Pre-K - 5th Grades)	9
Middle Schools (6 - 8th Grades)	3
High Schools (9th - 12th grades)	<u>3</u>
Total Number of Schools	15
Number of Administrators	34
Number of Teachers	611
Enrollment	10,390

Source: Nassau County School Board

**NASSAU COUNTY FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2001**

Private Schools

Amelia Island Montessori School (K-6th grades)
Faith Christian Academy (K-7th grades)
Nassau Christian Academy (K-12th grades)
St. Michael's Academy (Pre-K thru 5th grades)

Colleges Within a 50-Mile Radius

University of North Florida
Jacksonville University
Edward Waters College
Florida Community College at Jacksonville
Jones College

Transportation

Nassau County is 8 miles from Jacksonville International Airport. Main Highways servicing Nassau are Interstate 95, U.S. 301, U.S. 1, U.S. 17 and A1A.

Other Transportation

Fernandina Beach Municipal Airport
Port of Fernandina Beach
CSX Railroads

Source: Nassau County Fact Book, 2000

Nassau County Employees

<u>Division</u>	<u>Employees</u>
Board of County Commissioners	306
Sheriff	205
Clerk of Circuit Court	72
Property Appraiser	19
Tax Collector	17
Supervisor of Elections	4

Source: Nassau County Payroll Department

**NASSAU COUNTY FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2000**

Top Ten County Employers in Nassau County

<u>Name</u>	<u>Employees</u>	
Nassau County School District	1,253	
Amelia Island Plantation	1,200	
The Ritz-Carlton		875
Smurfit-Stone Container Corporation		650
Federal Aviation Administration	401	
White Oak Plantation		324
Rayonier, Inc.	323	
Publix Supermarket, Inc.		300
Baptist Medical Center-Nassau		277
Wal-Mart	190	

Source: Nassau County Economic Development Board

Major Private Sector Employers

<u>Name</u>	<u>Employees</u>	
Amelia Island Plantation	1,200	
The Ritz-Carlton		875
Smurfit-Stone Container Corporation		650
White Oak Plantation		324
Rayonier, Inc.	323	
Publix Supermarket, Inc.		300
Baptist Medical Center-Nassau		277
Wal-Mart	190	
Amelia Island Care Center	165	
Mulch Manufacturing, Inc.	110	

Source: Nassau County Economic Development Board

Recreation

Tennis Courts (Public)	12	Theaters	2
Golf Courses (Public)	2	Auditoriums	3
Racquetball Courts	1	County Fairgrounds	1
Miniature Golf	2	YMCA Facility	1
Swimming Pools (Public)	2	Museums	2
City/County Parks	16	State Parks	2
Bowling Alleys	2	Boat Ramps	9

Source: Nassau County Fact Book, 2001 personal contact

<u>Libraries</u>	<u>Volume</u>	<u>Circulation</u>
Callahan Branch	40,330	119,853
Fernandina Branch (Main Office)	84,657	381,453
Hilliard Library	28,582	59,324

Source: Nassau County Library System

**NASSAU COUNTY FLORIDA
MISCELLANEOUS STATISTICAL DATA
SEPTEMBER 30, 2001**

Medical

	<u>Number in County</u>	<u>Number of Beds</u>
Hospitals	1	54
Nursing Homes/Assisted Living	6	453
Doctors	45	
Public Health Department locations	4	

Source: Nassau County Fact Book 2001, phone contact

Fire Protection

	<u>Commission</u>	<u>Volunteer</u>	County
Number of Vehicles	179		30
Number of Stations	6		9
Number of Employees/Volunteers	85		120
Average Response Time	3-4 Minutes	9-10 Minutes	

Source: Nassau County Department of Public Safety

Ambulance Services

Number of Vehicles		7
Number of Employees		85
Average Response Time	3-4 Minutes	

Source: Nassau County Fire and Rescue Department

**NASSAU COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population(1)	Per Capita Income(1)	Median Age(1)	School Enrollment(2)	Unemployment Rates (3)		
					County	State	Nation
1991	45,000	18,200	N/A	8,646	6.8%	7.3%	6.7%
1992	45,500	18,900	N/A	8,808	7.4%	8.2%	7.4%
1993	46,500	19,700	33.4	8,991	6.2%	7.0%	6.8%
1994	47,400	20,300	34.6	9,082	5.8%	6.7%	6.3%
1995	49,100	21,500	35.1	9,406	4.8%	5.5%	5.6%
1996	51,100	23,100	35.5	10,200	4.2%	5.4%	5.5%
1997	52,700	24,000	35.8	10,259	3.3%	5.2%	4.7%
1998	54,500	26,200	36.1	10,243	3.0%	4.8%	4.4%
1999	57,400	N/A	36.4	9,939	3.6%	4.0%	4.2%
2000	60,200	N/A	N/A	10,214	3.2%	3.6%	4.0%

- Sources:
- (1) University of Florida, Bureau of Economic Research, population rounded to nearest hundred
 - (2) Nassau County School Board
 - (3) Florida Department of Labor and Employment Security, Office of Labor Market Statistics

N/A - Information not available

**NASSAU COUNTY, FLORIDA
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

Fiscal Year(1)	Construction		Taxable Real Property Value		
	Taxable Value		Residential	Commercial(2)	Total
1991	\$ 44,513	\$	879,921	\$ 317,347	\$ 1,197,268
1992	\$ 35,042	\$	915,012	\$ 325,685	\$ 1,240,697
1993	\$ 104,637	\$	957,730	\$ 410,287	\$ 1,368,017
1994	\$ 43,842	\$	990,376	\$ 422,322	\$ 1,412,698
1995	\$ 36,623	\$	1,047,490	\$ 430,456	\$ 1,477,946
1996	\$ 40,567	\$	1,105,718	\$ 427,120	\$ 1,532,838
1997	\$ 51,046	\$	1,160,481	\$ 441,054	\$ 1,601,535
1998	\$ 66,268	\$	1,318,414	\$ 482,571	\$ 1,800,985
1999	\$ 82,875	\$	1,476,726	\$ 523,694	\$ 2,000,420
2000	\$ 86,852	\$	1,650,150	\$ 573,437	\$ 2,223,587
2001	\$ 119,719	\$	2,051,959	\$ 615,637	\$ 2,667,596

(1) Year tax is collected – 2001 represents final certified valuation as of January 1, 2000.

(2) Includes commercial, industrial, agricultural, government and railroad categories.

Source: Nassau County Property Appraiser

**NASSAU COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR(1)	TOTAL TAX LEVY(2)	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
1991	\$ 10,598,158	\$ 10,441,713	98.52%	\$ 99,866	\$ 10,541,579	99.47%	\$ 56,579	0.53%
1992	10,639,525	10,621,836	99.83%	5,024	10,626,860	99.88%	12,665	0.12%
1993	10,523,192	10,467,893	99.47%	33,468	10,501,361	99.79%	21,831	0.21%
1994	10,599,626	10,495,131	99.01%	2,330	10,497,461	99.04%	102,165	0.96%
1995	12,218,608	12,053,247	98.65%	3,195	12,053,247	98.65%	165,361	1.35%
1996	12,661,492	12,280,636	96.99%	2,633	12,283,269	97.01%	378,223	2.99%
1997	13,060,319	12,610,026	96.55%	3,846	12,613,872	96.58%	446,447	3.42%
1998	14,506,053	13,947,844	96.15%	52,458	14,000,302	96.51%	505,751	3.49%
1999	16,027,484	15,424,755	96.24%	6,218	15,430,973	96.28%	596,511	3.72%
2000	17,649,844	17,075,180	96.74%	106,609	17,181,789	97.35%	468,055	2.65%
2001	20,403,540	19,694,986	96.53%	20,146	19,715,132	96.63%	688,408	3.37%

(1) Year tax is collected – 2001 represents 2000 levy.

(2) Includes penalties under Florida Statutes 193.072

(3) Includes discount taken for early payment of property taxes.

Source: Nassau County Tax Collector

**NASSAU COUNTY, FLORIDA
 ASSESSED AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year(1)	Real Property		Personal Property		Total		Percent of Total Taxable To Total Actual Estimated Value
	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
1991	\$ 1,197,268,151	\$ 1,752,367,121	\$ 224,375,245	\$ 347,547,624	\$ 1,421,643,396	\$ 2,099,914,745	67.70%
1992	1,240,696,624	1,812,378,905	226,307,882	349,675,173	1,467,004,506	2,162,054,078	67.85%
1993	1,368,017,160	1,951,166,583	279,290,757	425,103,285	1,647,307,917	2,376,269,868	69.32%
1994	1,412,698,258	2,017,097,901	289,744,046	439,795,971	1,702,442,304	2,456,893,872	69.29%
1995	1,477,946,482	2,097,984,736	307,827,396	465,400,997	1,785,773,878	2,563,385,733	69.66%
1996	1,532,837,591	2,169,798,594	316,181,851	467,260,989	1,849,019,442	2,637,054,583	70.12%
1997	1,601,535,498	2,268,491,775	335,776,143	489,429,958	1,937,311,641	2,757,921,733	70.25%
1998	1,800,984,784	2,552,656,205	350,017,472	505,623,465	2,151,002,256	3,058,279,670	70.33%
1999	2,000,420,132	2,798,471,634	375,580,566	532,394,935	2,376,000,698	3,330,866,569	71.33%
2000	2,223,587,265	3,106,417,508	393,384,768	554,030,903	2,616,972,033	3,660,448,411	71.49%
2001	2,667,596,028	3,681,589,895	402,551,264	563,903,689	3,070,147,292	4,245,493,584	72.32%

(1) Year tax is collected – 2000 represents final certified valuation as of January 1, 1999.

(2) Railroad property value is included in personal property value.

Source: Nassau County Property Appraiser

**NASSAU COUNTY, FLORIDA – PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF TAXABLE VALUE) – LAST TEN FISCAL YEARS**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
County-Wide Millages:										
General County:										
General Fund	3.1111	3.1965	2.6072	2.4485	2.9971	5.7361	5.6361	5.6351	5.6361	5.6361
Fine & Forfeiture Fund (1)	2.9674	2.9357	2.5758	2.5807	2.6964	-	-	-	-	-
County Transportation Fund	0.7598	0.6912	0.9813	0.9744	0.9200	0.8857	0.8857	0.8857	0.8857	0.8857
Capital Outlay Fund	-	-	-	-	-	-	-	-	-	-
Health Unit	0.2305	0.2306	0.2357	0.2285	0.2186	0.2103	0.2103	0.2103	0.2103	0.2103
Total General Count	<u>7.0688</u>	<u>7.0540</u>	<u>6.4000</u>	<u>6.2321</u>	<u>6.8321</u>	<u>6.8321</u>	<u>6.7321</u>	<u>6.7321</u>	<u>6.7321</u>	<u>6.7321</u>
School Board:										
Required Local Effort	5.7110	6.3940	6.5870	6.5410	6.5530	6.6650	6.8980	6.8000	6.3660	6.3670
Discretionary and Capital Outlay	3.0190	2.5100	2.5100	2.5100	2.5100	2.5100	2.5100	2.6080	2.7410	2.7140
Total School Board:	<u>8.7300</u>	<u>9.0970</u>	<u>8.9040</u>	<u>9.0510</u>	<u>9.0630</u>	<u>9.1750</u>	<u>9.4080</u>	<u>9.4080</u>	<u>9.1070</u>	<u>9.0810</u>
Nassau General Hospital(2)	0.8864	0.7417	0.6000	0.6000	-	-	-	-	-	-
Total County – Wide	<u>16.6852</u>	<u>16.6997</u>	<u>16.0970</u>	<u>15.8831</u>	<u>15.8951</u>	<u>16.0071</u>	<u>16.1401</u>	<u>16.1401</u>	<u>15.8391</u>	<u>15.8131</u>
Special Districts:										
St. Johns River Water Management	0.3580	0.3580	0.3580	0.4700	0.4820	0.4820	0.4820	0.4820	0.4820	0.4820
Greater St. Johns Basin	-	-	-	-	-	-	-	-	-	-
Amelia Island Mosquito Control	0.4666	0.4422	0.4703	0.4600	0.4490	0.4432	0.4341	0.4029	0.3750	0.3546
Municipal Service Fund	0.9288	0.6513	0.3256	0.3224	0.3224	0.3224	0.3224	0.3224	0.3224	0.3224
Recreation and Water Conservation	0.0510	0.0508	0.0508	0.0508	0.0508	0.0508	-	-	-	-
District Municipalities:										
Callahan	2.7988	2.7887	2.7887	2.7887	2.7887	2.7887	2.7869	3.0000	2.8820	3.0000
Fernandina Beach	7.1840	7.4500	6.9960	6.8500	6.7130	6.9477	6.9477	6.9477	6.6962	6.6962
Hilliard	0.8540	0.8470	0.8470	0.8470	0.8470	0.8470	0.8470	0.7682	0.7647	0.7408

(1) Fine & Forfeiture Fund was consolidated with General Fund beginning 1996.

(2) Nassau General Hospital was sold to Baptist Medical Center on July 1, 1994.

Source: Nassau County Property Appraiser

**NASSAU COUNTY, FLORIDA
PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2000**

Taxpayer	Type of Business	1999 Taxable Valuation (1)	Percent of Total Taxable Valuation of \$2,616,972,003
Smurfit-Stone Container Corp.	Manufacturing	\$ 172,823,429	6.60%
Amelia Island Company	Resort/Development	\$ 83,163,177	3.18%
The Ritz Carlton/Summer Beach	Resort/Development	\$ 68,480,438	2.62%
Rayonier	Manufacturing	\$ 54,228,109	2.07%
Bell South Corporation	Telephone	\$ 19,025,241	0.73%
Florida Public Utilities	Utilities	\$ 18,944,007	0.72%
CSX Railroad	Transportation	\$ 18,210,746	0.72%
Gilman Investment Company	Private/Development	\$ 16,253,797	0.62%
Okefenokee Rural Electric	Utilities	\$ 13,918,714	0.53%
Florida Power & Light	Utilities	\$ 15,470,212	0.59%

(1) Certified valuation as of January 1, 1999, for taxes collected in 2000.

Source: Nassau County Property Appraiser

Appendix B

Financial Statements for Years Ended September 30, 2000

Appendix C

The Resolution

Appendix D
Form of Bond Counsel Opinion

Appendix E

Specimen of Municipal Bond Insurance Policy

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT (the "Agreement"), dated as of December 1, 2001, by and between Nassau County, Florida, a political subdivision of the State of Florida (the "Issuer") and The Bank of New York (the "Escrow Agent"), a national banking association, having its designated corporate trust office in Jacksonville, Florida, as escrow agent hereunder.

WHEREAS, the Issuer has heretofore issued its Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds") in the original aggregate principal amount of \$9,985,000, pursuant to the terms of Resolution No. 88-28 of the Issuer, as restated, amended and supplemented (the "Resolution"); and

WHEREAS, the Issuer has determined to issue its \$_____ Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Series 2001 Bonds") pursuant to the terms of the Resolution and desires to utilize certain proceeds of such Series 2001 Bonds to buy the Escrow Securities (hereinafter defined) in order to provide payment for the Refunded Bonds as set forth on Schedule B attached hereto and discharge and satisfy the pledges, liens and other obligations of the Issuer under the Resolution in regard to such Refunded Bonds; and

WHEREAS, the issuance of the Series 2001 Bonds, the purchase by the Escrow Agent of the Escrow Securities, the deposit of the Escrow Securities into an Escrow Fund (herein defined) to be held by the Escrow Agent and the discharge and satisfaction of the pledges, liens and other obligations of the Issuer under the Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The recitals of the Issuer stated above are true and correct and incorporated herein.
2. Receipt of the Resolution, certified by the Clerk of the Issuer to be true and correct, is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Resolution are incorporated herein by reference. Reference herein to or citation herein of any provisions of the Resolution shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.
3. The Issuer by this writing exercises its option to have the pledges, liens and obligations to the holders of the Refunded Bonds defeased, discharged and satisfied.
4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "Nassau County, Florida Optional Gas Tax Revenue Refunding Bonds, Series 1992 Escrow Deposit Trust Fund" (the "Escrow Fund"). The Escrow Fund shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, separate and apart from other funds and accounts of the Issuer and the Escrow

Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund of the sum of \$_____ in immediately available funds. The Issuer represents that \$_____ of such amount constitutes proceeds of the Series 2001 Bonds and the remainder of such funds are derived from the debt service fund held under the Resolution for the benefit of the Refunded Bonds. For purposes of this Agreement, the Escrow Fund shall consist of a single fund with no sub-accounts.

5. The Escrow Agent represents and acknowledges that, concurrently with the Issuer's deposit, it has used \$_____ of such deposit to purchase on behalf of and for the account of the Issuer, certain direct non-callable obligations of the United States of America (the "Initial Escrow Securities"), in the aggregate principal or par amount of \$_____ which are described in Schedule A hereto, and the Escrow Agent will deposit such obligations in the Escrow Fund. The remaining \$_____ (the "Cash Deposit") shall be held as cash in the Escrow Fund. Any securities which shall be on deposit in the Escrow Fund, including the Initial Escrow Securities, shall herein be referred to as the "Escrow Securities."

6. In reliance upon the Verification Report, the Issuer represents that the interest on and the principal amounts successively maturing on the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), together with the Cash Deposit, are sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, redemption premium, if any, and interest due and to become due on the Refunded Bonds as described in Schedule B attached hereto. If the Escrow Securities shall be insufficient to make such redemption payments, the Issuer shall timely deposit to the Escrow Fund, solely from legally available funds of the Issuer, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule B hereto. Notice of any insufficiency shall be given by the Escrow Agent to the Issuer as promptly as possible, but the Escrow Agent shall in no manner be responsible for the Issuer's failure to make such deposits.

7. The deposit of the Escrow Securities in the Escrow Fund shall constitute an irrevocable deposit of federal securities in trust solely for the payment of the principal, redemption premium, if any, and interest on the Refunded Bonds at such times and amounts as set forth in Schedule B hereto, and subject to the provisions of Section 9 and Section 17 hereof, the principal of and interest earnings on such Escrow Securities shall be used solely for such purposes.

8. On each date which shall be an interest payment date for any of the Refunded Bonds, the Escrow Agent shall pay to the paying agent for the Refunded Bonds, from the moneys on deposit in the Escrow Fund, a sum sufficient to pay the amount due on the Refunded Bonds at the times provided in Schedule B hereto. The Escrow Agent is also required to pay the paying agent for the Refunded Bonds from the moneys on deposit in the Escrow Fund an amount sufficient to redeem the Refunded Bonds prior to their scheduled maturity dates as contemplated in Schedule B attached hereto. The Escrow Securities shall be used to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds as the same mature or are redeemed. If any payment date shall be a day on which either the paying agent for the Refunded Bonds or the Escrow Agent is not open for acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application

of the Escrow Securities and the interest earnings thereon available for such purposes in the Escrow Fund.

9. Moneys deposited in the Escrow Fund shall be invested only in the Escrow Securities listed in Schedule A hereto and, except as provided in Section 5 hereof and in this Section 9, neither the Issuer nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

Except as provided in Section 5 hereof and in this Section 9, the Escrow Agent may not sell or otherwise dispose of any or all of the Escrow Securities in the Escrow Fund and reinvest the proceeds thereof in other securities nor may it substitute securities for any of the Escrow Securities, except upon written direction of the Issuer and where, prior to any such reinvestment or substitution, the Escrow Agent has received from the Issuer the following:

- (a) a written verification report by an independent certified public accountant or firm of independent certified public accountants, of recognized standing, appointed by the Issuer, addressed to the Issuer and the Escrow Agent, stating that after such reinvestment or substitution the principal amount of Escrow Securities, together with the interest therein, will be sufficient to pay the Refunded Bonds as described in Schedule B hereto (such verification shall not be necessary in the event the Issuer shall determine to reinvest cash in Escrow Securities which mature on or before the next principal and/or interest payment date for the Refunded Bonds);
- (b) a written opinion of Bond Counsel to the effect that (i) such investment will not cause the Refunded Bonds or the Series 2001 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder or otherwise cause the interest on the Refunded Bonds or the Series 2001 Bonds to be included as gross income for purposes of federal income taxation, and (ii) such investment does not violate any provision of Florida law or of the Indenture; and
- (c) a written confirmation from Moody's that the then-current rating on the Refunded Bonds will not be lowered or withdrawn on account of such substitution;

provided, that the Escrow Agent shall not release any Escrow Securities then held in the Escrow Fund for such sale, transfer, exchange, redemption or other disposition until the Escrow Agent shall be in possession of the proceeds thereof or the substituted securities.

The above described verification report need not be provided in the event the Issuer purchases Escrow Securities with the proceeds of maturing Escrow Securities and such purchased Escrow Securities mature on or before the next interest payment date for the Refunded Bonds.

In the event the above-referenced verification concludes that there are surplus moneys in the Escrow Fund, such surplus moneys shall be released, upon written request, to the Issuer upon its written direction. The Escrow Fund shall continue in effect until the date upon which the Escrow Agent makes the final payment to the paying agent for the Refunded Bonds in an amount sufficient to pay the Refunded Bonds as described in Schedule B hereto, whereupon the Escrow Agent shall sell upon written direction from the Issuer or redeem any Escrow Securities remaining in the Escrow

Fund, and shall remit to the Issuer the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

10. The Issuer has been advised by counsel that, concurrently with the deposit of the Initial Escrow Securities set forth in Section 5 hereof, the Refunded Bonds are hereby deemed to have been paid and discharged within the meaning and with the effect expressed in the Resolution. The Issuer hereby irrevocably instructs the Escrow Agent to give notice of redemption of the Refunded Bonds in the manner provided in the Resolution, and the Escrow Agent hereby agrees to perform said function. All of the Refunded Bonds maturing after March 1, 2002 shall be redeemed on March 1, 2002 at a redemption price of 102% of par.

11. Concurrently with the deposit of the Escrow Securities set forth in Section 5 hereof, the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. Within thirty (30) days of the deposit of moneys into the Escrow Fund, the Escrow Agent, on behalf of the Issuer, shall cause to be provided by first class mail to each owner of the Refunded Bonds at the address of such owner shown on the registration books maintained by the registrar under the Resolution as provided by such registrar to the Escrow Agent and to Depository Trust Company of New York, New York, and to one or more national information services that disseminate notices of advance refunding of obligations such as the Refunded Bonds notice in the form provided in Schedule C attached hereto.

12. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all Escrow Securities on deposit in the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Resolution. Neither the Issuer nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

13. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended or supplemented in whole or in part without the written consent of all such holders of the Refunded Bonds and the written consent of the Escrow Agent; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Bond Counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 13.

14. In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer agrees to and shall pay to the Escrow Agent a one-time up front fee of \$_____ plus expenses, and promptly on receipt of an invoice to pay all reasonable, customary and ordinary expenses, charges, attorneys' fees and other disbursements incurred by it in connection with publication of notices of redemption, substitutions of Escrow Securities and appointment of a successor Escrow Agent hereunder. The Escrow Agent shall have no lien whatsoever upon any of the Escrow Securities in said Escrow Fund for the payment of such proper fees and expenses. The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements), which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Fund established hereunder, the acceptance of the funds and securities deposited hereunder, the purchase of the Escrow Securities, the retention of the Escrow Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Agent against its own gross negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

The Escrow Agent shall have no responsibilities to any person in connection herewith except those specifically provided herein and shall not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful misconduct in the performance of any obligation imposed on it hereunder. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated in making such determination only to exercise reasonable care and diligence, and in the event of error in making such determination, the Escrow Agent shall be liable only for its own gross negligence or willful misconduct. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the Issuer and other persons and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided herein, the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Account and to dispose of and deliver the same in accordance with this Agreement.

The Escrow Agent may act without liability, upon any written notice, request, waiver, opinion, consent, certificate, receipt, authorization, power of attorney, or other instrument or document which the Escrow Agent in good faith believes to be genuine and to be what it purports to be and the Escrow Agent shall be under no duty to make an investigation or inquiry as to matters contained in any such instrument or document.

15. On or before October 15 of each year so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward, in writing, to the Issuer, a statement in detail of the Escrow Securities held, and the income and maturities thereof, and withdrawals of money from the Escrow Fund, since the last statement furnished pursuant to this Section 15.

16. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than sixty (60) days' written notice to the Issuer and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the Issuer as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and signed by the Issuer or the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the Issuer shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the Issuer shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The Issuer shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 16.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the Issuer pursuant to the foregoing provisions of this Section 16 within sixty (60) days after written notice of resignation of the Escrow Agent has been given to the Issuer, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$20,000,000.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall have no further liability hereunder and the Issuer shall pay any applicable termination fees and expenses and indemnify and hold harmless Escrow Agent from any such liability, including costs or expenses (including legal expenses) incurred by Escrow Agent or its counsel.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the Issuer execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

17. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the Issuer.

18. This Agreement shall be governed by the applicable laws of the State of Florida.

19. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

20. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

21. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

The Bank of New York
10161 Centurion Parkway
Jacksonville, Florida 32256

Nassau County, Florida
Post Office Box 456
Fernandina Beach, Florida 32035

SIGNATURE PAGE OF THE ISSUER FOR
ESCROW DEPOSIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have made and executed this Escrow Deposit Agreement to be executed by their duly authorized officers or agents and appointed officials and their seals to be hereunder affixed and attested as of the date first above written.

NASSAU COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County Commissioners

ATTEST:

Clerk

SIGNATURE PAGE OF THE ESCROW AGENT FOR
ESCROW DEPOSIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have made and executed this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and their seals to be hereunder affixed and attested as of the date first above written.

**THE BANK OF NEW YORK,
as Escrow Agent**

(SEAL)

By: _____
Title:

ATTEST:

By: _____
Title:

SCHEDULE A

INITIAL ESCROW SECURITIES

<u>Maturity Date</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Par Amount</u>
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SCHEDULE B

REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
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SCHEDULE C

NOTICE OF DEFEASANCE

CUSIP NUMBERS:

Notice is hereby given by Nassau County, Florida (the "Issuer") of the defeasance of the Issuer's Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds"). The Issuer has caused to be deposited in trust with The Bank of New York, Jacksonville, Florida, pursuant to an Escrow Deposit Agreement, dated as of December 1, 2001 (the "Escrow Deposit Agreement") obligations of the United States of America the principal and interest on which will be available for the payment of interest on the Refunded Bonds through March 1, 2002, and to redeem the Refunded Bonds maturing on or after March 1, 2003 on March 1, 2002 at a price of 102% of the principal amount thereof.

In accordance with the provisions of the Issuer's Resolution No. 88-28, as restated, amended and supplemented (collectively, the "Resolution"), the Refunded Bonds have been paid and the holders thereof shall have the right to look only to amounts held pursuant to the Escrow Deposit Agreement for payment of the Refunded Bonds. The Refunded Bonds maturing on or after March 1, 2003 will be redeemed in full on March 1, 2002.

This notice is an informational notice only and is not a notice of redemption. No action is required of registered owners of Bonds at this time. Registered owners of Bonds maturing on and after March 1, 2003 will be notified not less than 30 nor more than 60 days prior to March 1, 2002 of the redemption of their Bonds on March 1, 2002, which notice will include the correct address for forwarding of bonds for payment.

NASSAU COUNTY, FLORIDA

Chairman, Board of County Commissioners

EXHIBIT D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Form of Continuing Disclosure Certificate

\$5,675,000

NASSAU COUNTY, FLORIDA OPTIONAL GAS TAX REVENUE REFUNDING BONDS, SERIES 2001 CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Nassau County, Florida (the "County"), in connection with the issuance of \$__,000,000 Nassau County, Florida Optional Gas Tax Revenue Refunding Bonds, Series 2001 (the "Bonds"). The Bonds are being issued pursuant to the laws of the State of Florida, including particularly Chapter 125, Florida Statutes, Chapter 206, Florida Statutes, and Section 336.025, Florida Statutes, and under and pursuant to Ordinance No. 86-8, enacted by the governing body of the County on February 14, 1986, as amended and supplemented, Ordinance No. 87-29, enacted on March 17, 1987, as amended and supplemented, and Resolution No. 01-__, adopted on November 19, 2001, as supplemented. The County covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders of the Bonds (the "Bondholders") and in order to assist the underwriters of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

SECTION 2. PROVISION OF ANNUAL INFORMATION. The County shall provide to all of the nationally recognized municipal securities information repositories recognized as such by the SEC pursuant to the Rule (the "NRMSIRs"), and to any state information depository that is established within the State of Florida (the "SID"), on or before the date which is six (6) months after the end of the County's fiscal year (September 30 of each year) commencing with the fiscal year ended September 30, 2001.

(A) audited financial statements of the County for the immediately preceding Fiscal Year prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; provided, however, if the audited financial statements of the County are not completed prior to the date set forth above, of any year, the County shall provide unaudited financial statements on such date and shall provide the audited financial statements within 30 days of the completion of such audited financial statements.

(B) additional financial information and operating data of the type and in the same format included with respect to the County in the final official statement prepared in connection with the sale and issuance of the Bonds (the "Official Statement"), including:

1. Historical Gasoline Sales in the County.

2. Gas Tax Receipts; and
3. Coverage of Maximum Annual Debt Service.

For purposes of this Disclosure Certificate, “Fiscal Year” means the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

SECTION 3. REPORTING SIGNIFICANT EVENTS. The County shall provide to the NRMSIRs or the Municipal Securities Rulemaking Board (the “MSRB”), and to the SIDs, if any, on a timely basis, notice of any of the following events, if such event is material:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (C) Unscheduled draws on the debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (G) Modifications to rights of security holders;
- (H) Bond calls (other than scheduled mandatory redemptions);
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities; and
- (K) Rating changes.

The County may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 3, if, in the judgment of the County, such other events are material with respect to the Bonds, but the County does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

Whenever the County obtains knowledge of the occurrence of a significant event described in this Section 3, the County shall as soon as possible determine if such event would be material under applicable federal securities law to holders of Bonds.

SECTION 4. NRMSIRs. The NRMSIRs which are currently recognized as such by the SEC are:

- (A) Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: 609/279-3225
Fax: 609/279-5962
Email: munis@bloomberg.com

- (B) FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, New York 10038
Phone: 212/771-6999
Fax: 212/771-7390
Email: NRMSIR@FTID.com

- (C) Standard & Poor's J.J. Kenny Repository
55 Water Street, 45th Floor
New York, New York 10041
Phone: 212/438-4595
Fax: 212/438-3975
Email: nrmsir_repository@sandp.com

- (D) DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: 201/346-0701
Fax: 201/947-0107
Email: nrmsir@dpcdata.com

At present, a list of the names and addresses of all designated NRMSIRs as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document number 0206 or by visiting the SEC's website at www.sec.gov/info/municipal/nrmsir.htm.

SECTION 5. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Resolution, failure of the County to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including pursuing an action for mandamus or specific performance, as applicable, by court order, to cause the County to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Bond or federal income tax purposes.

SECTION 6. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the County or related public entities, which have been submitted to each of the NRMSIRs and the SID, if any, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each documents incorporated by reference.

SECTION 7. DISSEMINATION AGENTS. The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

SECTION 8. TERMINATION. The County's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the Bonds, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 9. AMENDMENTS. Notwithstanding any other provisions of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any other provision may be waived, if such amendment or waiver is supported by an opinion of counsel who is experienced in the area of federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in, or official interpretation of, the Rule.

SECTION 10. ADDITIONAL. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communications, or including any other information in its annual information described in Section 2 hereof or notice of occurrence of a significant event described in Section 3 hereof, in addition to that which is required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 11. OBLIGATED PERSONS. Persons, other than the County, can become an Obligated Person (as defined in the Rule) relating to the Bonds. The County shall use its best efforts to require all such Obligated Persons to comply with all provisions of the Rule applicable to such Obligated Persons. Currently, there are no Obligated Persons other than the County.

NASSAU COUNTY, FLORIDA

By: _____
Marianne Marshall
Chairman, Board of County
Commissioners

By: _____
J. M. "Chip" Oxley, Jr.
Clerk of the Circuit Court in and for
Nassau County, Florida, ex-officio
Clerk of the Board of County
Commissioners

December __, 2001

Jax;482445v4