

2009-115

EXECUTION COPY

NASSAU COUNTY, FLORIDA

AMENDED AND RESTATED GAS TAX REVENUE BOND RESOLUTION

ADOPTED MAY 20, 2009

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EXHIBIT A FORM OF ESCROW AGREEMENT

RESOLUTION NO. 2009-115

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AMENDING, SUPPLEMENTING AND RESTATING RESOLUTION NO. 2009-89 OF THE BOARD, ADOPTED APRIL 27, 2009; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Nassau County, Florida (the "County") did at its meeting held April 27, 2009, adopt its Resolution No. 2009-89 (the "Original Resolution") authorizing the issuance of the County's Gas Tax Revenue Bonds, Series 2009 (the "Series 2009 Bonds"); and

WHEREAS, the Board desires to make certain changes to the Original Resolution to conform to the requirements of the purchaser of the Series 2009 Bonds and to provide an adjustment to the terms of the bonds necessary to complete the refunding;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AS FOLLOWS:

"Section 1. The Original Resolution is hereby amended to read in its entirety as follows:

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE BY THE COUNTY OF A \$8,842,306.80 NASSAU COUNTY, FLORIDA GAS TAX REVENUE BOND, SERIES 2009, IN ORDER TO FINANCE THE COST OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE COUNTY; PLEDGING THE MONEYS RECEIVED BY THE COUNTY FROM THE COUNTY'S CONSTITUTIONAL TWO-CENT GAS TAX, THE ONE-CENT TAX IMPOSED PURSUANT TO SECTION 206.60, FLORIDA STATUTES, AND THE ONE-CENT OPTIONAL GAS TAX IMPOSED PURSUANT TO SECTION 336.021, FLORIDA STATUTES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; AWARDED THE SALE OF SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

ARTICLE I
GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.47, Florida Statutes, Section 336.021, Florida Statutes, the Ordinance and other applicable provisions of law.

"Act of Bankruptcy" shall mean (1) the Issuer shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (2) the Issuer shall institute any proceedings seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy or insolvency, (3) there shall be appointed a receiver, liquidator or similar official for the Issuer under any law relating to bankruptcy or insolvency, or (4) without the application, approval or consent of the Issuer, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Issuer, or a proceeding described in (2) above shall be instituted against the Issuer, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) consecutive days. The mere declaration of a state of financial emergency under Section 218.503, Florida Statutes, shall not, in and of itself, constitute an Act of Bankruptcy.

"Additional Bonds" means the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2009 Bonds.

"Annual Debt Service" shall mean, at any time, the aggregate amount in the then current Fiscal Year of (1) interest required to be paid on the Outstanding Bonds during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds, (2) principal of Outstanding Bonds maturing in such Fiscal Year, and (3) any amortization installments designated with respect to such Fiscal Year.

"Authorized Investments" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Issuer:

(1) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually

against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively, the "United States Obligations").

(2) Federal Housing Administration debentures.

(3) Obligations of the following government-sponsored agencies which are not backed by the full faith and credit of the U.S. government:

- Federal Home Loan Mortgage Corporation (FHLMC)
 - Participation certificates
 - Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives)
 - Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
 - Consolidated debt obligations
 - Letter of credit (LOC)-backed issues
- Federal National Mortgage Association (FNMA)
 - Senior debt obligations
 - Mortgage-backed securities (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
- Student Loan Marketing Association (SLMA)
 - Senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
 - Debt obligations
- Resolution Funding Corporation (REFCORP)
 - Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

(7) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(8) "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(9) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

A. The municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the escrow agent therefor has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted or agreed not to redeem such municipal obligations other than as set forth in such instructions;

B. The municipal obligations are secured by cash or United States Obligations which may be applied only to payment of the principal of, redemption premium, if any, and interest on such municipal obligations;

C. The principal of and interest on the United States Obligations (plus any cash in the escrow) has been verified by a report of an independent certified public accountant to be sufficient to pay in full all principal of, redemption premium, if any, and interest due and to become due on the municipal obligations ("Verification");

D. The cash or United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. No substitution of a United States Obligation shall be permitted except with another United States Obligation and cash and upon delivery of a new Verification; and

F. The cash or United States Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(10) Repurchase agreements:

A. With any domestic bank with debt rated "AA" or better by S&P, or any foreign bank rated at least "AA" by S&P and "Aa" by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least "AA" by S&P and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC), provided that:

i. The market value of the collateral is maintained for United States Treasury Obligations at the levels shown below under "Collateral Levels for United States Treasury Obligations";

ii. Failure to maintain the requisite collateral percentage will require the holder of such collateral to liquidate it;

iii. The Issuer or an independent third party acting solely as agent for the Issuer has possession of the collateral or that the collateral has been transferred to the Issuer or such third party in accordance with applicable state and federal laws (other than by means of entries on the Repo entity's books);

iv. The repurchase agreement shall state, and an opinion of counsel shall be rendered, that the Issuer or such third party has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Issuer or such third party is in possession);

v. The collateral is free and clear of any third-party liens or claims;

vi. An opinion is rendered that the repo is a "repurchase agreement" as defined in the United States Bankruptcy Code;

vii. There is or will be a written agreement governing the transaction;

viii. The Issuer or such third party represents that it has no knowledge of any fraud involved in the repo transaction; and

ix. The Issuer or such third party receives the opinion of counsel (which opinion shall be addressed to the Issuer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

(11) Investment Agreements with (A) a domestic bank the long-term debt of which is rated at least "AA" by S&P and "Aa" by Moody's; or (B) a foreign bank the long-term debt of

which is rated "AAA" by S&P and at least "Aa" by Moody's, or at least "AA" by S&P and "Aaa" by Moody's; provided, that, by the terms of the Agreement:

A. Interest payments are to be made to the Issuer at times and in amounts as necessary to pay debt service (or, if the agreement is for the construction fund, construction draws) on the Bonds;

B. The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); the Issuer agrees that the Issuer shall give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. The investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

D. A fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under this Resolution;

E. The term of the agreement does not exceed ten years;

F. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer) to the effect that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms;

G. The investment agreement must provide that if during its term

(i) the provider's rating by either Moody's or S&P falls below "A", the provider must, at the direction of the Issuer, within ten days of receipt of such direction, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer or a third party acting solely as agent for the Issuer United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (b) repay the principal of and accrued but unpaid interest on the investment (the choice of (a) or (b) above shall be that of the Issuer), and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "BBB+" or "Baa-1," respectively, the provider must, at the direction of the Issuer, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer;

H. The investment agreement shall state and an opinion of counsel shall be rendered that the Issuer or third party has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Issuer or third party is in possession); and

I. The investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer.

(12) Such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

(13) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes.

Collateral Levels for United States Treasury obligations

| | <u>Remaining Maturity</u> | | | | |
|------------------------|---------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>1 year or less</u> | <u>5 years or less</u> | <u>10 years or less</u> | <u>15 years or less</u> | <u>30 years or less</u> |
| Frequency of valuation | | | | | |
| Daily | 102 | 105 | 106 | 108 | 114 |
| Weekly | 103 | 111 | 112 | 114 | 120 |
| Monthly | 105 | 117 | 120 | 125 | 133 |
| Quarterly | 107 | 120 | 130 | 133 | 140 |

Valuation Requirements: For purposes of valuing collateral described in paragraphs (10) and (11) of the definition of "Authorized Investments"

(1) On each valuation date the market value (exclusive of accrued interest) of the collateral will be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day

for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations; and

(3) The Issuer agrees to terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterpart in federal funds against transfer of the collateral, liquidate the collateral.

"Authorized Issuer Officer" shall mean the Chairman of the Board of County Commissioners of the Issuer, or his designee, and when used in reference to any act or document also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Board" shall mean the Board of County Commissioners of the Issuer.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A., or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bond" or **"Bonds"** shall mean the Series 2009 Bonds and any Additional Bonds issued pursuant to the provisions hereof.

"Business Day" shall mean any day other than (1) a Saturday or Sunday or a legal holiday on which banking institutions in the Issuer are located are required or authorized by law to remain closed or (2) a day on which the New York Stock Exchange is closed.

"Chairman" shall mean the Chairman of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Clerk" shall mean the Clerk of the Circuit Court and Ex-officio Clerk of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations, procedures and rules thereunder in effect or proposed.

"Constitutional Gas Tax" means the tax of two cents per gallon on motor fuel levied by Section 206.41, Florida Statutes, and allocated to the Issuer pursuant to the provisions of Section 206.47, Florida Statutes.

"Construction Fund" shall mean the Nassau County, Florida Gas Tax Revenue Bonds Construction Fund established pursuant to Section 4.03 hereof.

"Cost" or **"Costs,"** as the same relates to a Project, to the extent permitted by the Act, shall mean (1) the cost of physical construction, reconstruction or completion, (2) the cost of acquisition or purchase, (3) the cost of all labor, materials, machinery and equipment, (4) the cost of land and interests therein, property rights, easements and franchises of any nature whatsoever, (5) the cost of any indemnity or surety bonds and premiums for insurance during construction, (6) all interest due to be paid on the Bonds and other obligations relating to such Project during the period of construction and for such period of time subsequent to completion of acquisition and construction as the Board deems appropriate, (7) engineering, financial, legal and other consultant fees and expenses, (8) the cost of plans and specifications, construction plans, surveys and estimates of costs, (9) costs and expenses of audits, (10) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness incurred for any portion of such Project, (11) costs and expenses related to the issuance of the Bonds or other indebtedness related to such Project, (12) costs related to the levy and collection of the Assessments, and (13) any other costs and expenses properly attributable to acquisition or construction of such Project, and such other expenses as may be necessary or incidental to the issuance of the Bonds; and shall include reimbursement to the Issuer or any other Person, for any moneys advanced for any costs incurred by the Issuer or such Person, in connection with any such items of cost. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"County Gas Tax" shall mean the proceeds received by the Issuer of the one-cent gas tax on motor fuel levied pursuant to Section 206.60, Florida Statutes, and the tax on special fuel levied pursuant to Section 206.87, Florida Statutes, distributed to the Issuer pursuant to the provisions of Section 206.60 and Section 206.875, Florida Statutes, respectively.

"Debt Service Fund" shall mean the Nassau County, Florida Gas Tax Revenue Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

"Defeasance Obligations" shall mean (1) cash or (2) direct, noncallable obligations of the United States of America ("Government Obligations").

"Determination of Taxability" shall mean the circumstance of interest paid or payable on the Bonds becoming includable for federal income tax purposes in the gross income of the Bondholders as a consequence of any act, omission or event whatsoever and regardless of whether the same was within or beyond the control of the Issuer, including (a) the receipt by the Issuer or a Bondholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on its Bond is includable in the gross income of such Bondholder; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on such Bond is includable in the gross income of the Bondholder; or (c) receipt by the Issuer or a Bondholder of an opinion of Bond Counsel that any interest on the Bond has become includable in the gross income of the Bondholder for federal income tax purposes. For all purposes of this definition, a

Determination of Taxability will be deemed to occur on the date as of which the interest on a Bond is deemed includable in the gross income of a Bondholder. A Determination of Taxability shall not occur solely because such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum income tax imposed on corporations or interest on the Bonds is treated as an indirect tax preference item under the Code.

"Escrow Account" shall mean an account established with a qualified bank or trust company with respect to the redemption of the Refunded Obligations.

"Event of Default" shall mean any Event of Default specified in Section 6.01 of this Resolution.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Gas Tax Revenue" shall mean the revenues derived by the Issuer from the Constitutional Gas Tax, the County Gas Tax and the Ninth Cent Gas Tax.

"Issuer" shall mean Nassau County, Florida.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed.

"Moody's" shall mean Moody's Investors Service, and any assigns or successors thereto.

"Ninth Cent Gas Tax" shall mean the one-cent per gallon tax on motor fuel imposed pursuant to Section 336.021 and Ordinance No. 95-27, enacted by the Board of County Commissioners of the Issuer on October 23, 1995, and distributed to the Issuer.

"Ordinance" shall mean Ordinance No. 98-19 of the Issuer, enacted August 5, 1998, authorizing the issuance of gas tax revenue bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost, stolen, mutilated or destroyed Bonds under Section 2.04 hereof, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Section 2.05 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds canceled after purchase by the Issuer in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to this Resolution and any other Person which may be substituted in its place pursuant to this Resolution.

"Payment Account" shall mean the separate account of the Debt Service Fund established pursuant to Section 4.04 hereof.

"Payment Date" shall mean the dates for payment of principal and/or interest on the Bonds as provided in Section 2.01 hereof.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Revenues" shall mean (1) the Gas Tax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts (other than the Rebate Account) established hereunder.

"Project" shall mean the acquisition, construction and improvement of such properties as may be financed by Gas Tax Revenues pursuant to the Act.

"Rebate Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Redemption Account" shall mean the separate account of the Debt Service Fund established pursuant to Section 4.04 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus accrued interest through the date of payment.

"Refunded Obligations" shall mean the Issuer's Gas Tax Revenue Bonds, Series 1998, other than the Series 1998 Bonds maturing October 1, 2009.

"Refunded Resolution" shall mean Resolution No. 98-120 of the Board of County Commissioners of the Issuer, as amended and supplemented.

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to this Resolution and its successors and assigns, and any other Person, which may at any time be substituted in its place pursuant to this Resolution.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Revenue Account" shall mean the Nassau County, Florida Gas Tax Revenue Account established pursuant to Section 4.04 hereof.

"**Series 2009 Bonds**" shall mean the Issuer's Gas Tax Revenue Bonds, Series 2009, issued pursuant to the Resolution.

"**S&P**" shall mean Standard and Poor's, a Division of McGraw-Hill Companies, Inc., and any assigns and successors thereto.

"**State**" shall mean the State of Florida.

"**Supplemental Resolution**" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01 hereof.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term and "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds, and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The Issuer has previously issued and has now outstanding and unpaid the Refunded Obligations.

(B) The Pledged Revenues are not pledged or encumbered in any manner except for the payment of principal of and interest on the Refunded Obligations and the Issuer's Gas Tax Revenue Bonds, Series 1998 maturing October 1, 2009.

(C) It is deemed to be in the best interest of the citizens of the Issuer that the Refunded Obligations be prepaid through the issuance of the Series 2009 Bonds in order to achieve certain economic savings.

(D) The principal of, Redemption Price, if applicable, and interest on the Series 2009 Bonds shall be paid from the Pledged Revenues. The Issuer shall never be required to use any ad valorem taxes for the payment of the Series 2009 Bonds. The Series 2009 Bonds shall not constitute a direct obligation of the Issuer or a pledge of its faith and credit, nor shall the Series 2009 Bondholders have any lien or encumbrance on any property in the Issuer other than the Pledged Revenues.

(E) Due to the present volatility of the market for tax-exempt obligations such as the Series 2009 Bonds and the complexity of the transactions relating to such Bonds, it is in the best interest of the Issuer to sell the Series 2009 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time and conditions, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2009 Bonds. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2009 Bonds. A copy of the disclosure statement provided by the Bondholder of the Series 2009 Bonds containing the aforementioned information has been provided under separate cover to the Issuer.

SECTION 1.05. AUTHORIZATION OF REFUNDING OF REFUNDED OBLIGATIONS. The Issuer hereby authorizes the refunding of the Refunded Obligations.

SECTION 1.06. DESIGNATION FOR BANK QUALIFICATION. The Issuer hereby designates the Series 2009 Bonds as "qualified tax-exempt bonds," within the meaning of Section 265(b)(3) of the Code, and hereby certifies that the Issuer does not reasonably expect to issue more than \$30,000,000 in tax-exempt indebtedness, including the Series 2009 Bonds, in calendar year 2009.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION AND DESCRIPTION OF BONDS. This Resolution creates an issue of bonds of the Issuer to be designated as "Nassau County, Florida, Gas Tax Revenue Bonds, Series 2009," issued in the aggregate principal amount of \$8,842,306.80. The Series 2009 Bonds are issued for the principal purposes of refunding the Refunded Obligations and paying certain costs of issuance incurred with respect to the Series 2009 Bonds.

The Series 2009 Bonds shall be in the form of one registered Series 2009 Bond in the principal amount of \$8,842,306.80, which shall be dated May 28, 2009 and mature on October 1, 2018, shall be issued in fully registered form and shall bear interest from May 28, 2009. The Series 2009 Bonds shall be issued in the denomination of \$8,842,306.80, or in such lesser amount resulting from a partial redemption thereof. The Bonds shall be payable as to interest and principal by check or draft of the Paying Agent, mailed to the owner of record thereof, as such owner shall appear on the registration books of the Issuer on the 15th day of the month prior to such Payment Date. The final payment of principal of and interest on the respective Bonds shall be payable at the office of the Paying Agent, upon presentation and surrender of such Bonds on the maturity date thereof, or if such maturity date is a Saturday, Sunday or holiday, on the next succeeding business day. Notwithstanding the foregoing, with respect to owners of \$100,000 or more in aggregate principal amount of the Series 2009 Bonds and in all cases in the event there is only one Series 2009 Bondholder, all payments of principal and interest shall be made by wire transfer for the account of such Bondholder to an account within the continental United States of America, designated in writing to the County. Principal of and interest on the Series 2009 Bonds shall be payable in any coin or currency of the United States of America which, on the date of payment, are legal tender for the payment of public and private debts.

Interest on the Series 2009 Bonds shall accrue to the maturity date thereof at the rate of 3.72% per annum, computed based on a 360-day year, subject to adjustment from time to time as set forth in Section 2.06 hereof, and shall be payable on each April 1 and October 1 commencing on October 1, 2009. Principal on the Series 2009 Bonds shall be payable on October 1, 2010 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2018:

| <u>Date</u> | <u>Principal Due</u> | <u>Interest</u> |
|-----------------|----------------------|-----------------|
| October 1, 2009 | | \$ 112,385.72 |
| April 1, 2010 | | 164,466.91 |
| October 1, 2010 | \$ 843,157.50 | 164,466.91 |
| April 1, 2011 | | 148,784.18 |
| October 1, 2011 | 878,413.00 | 148,784.18 |
| April 1, 2012 | | 132,445.70 |
| October 1, 2012 | 907,314.90 | 132,445.70 |
| April 1, 2013 | | 115,569.64 |
| October 1, 2013 | 944,787.00 | 115,569.64 |
| April 1, 2014 | | 97,996.60 |
| October 1, 2014 | 980,814.40 | 97,996.60 |
| April 1, 2015 | | 79,753.45 |
| October 1, 2015 | 1,014,800.60 | 79,753.45 |
| April 1, 2016 | | 60,878.16 |
| October 1, 2016 | 1,052,801.20 | 60,878.16 |
| April 1, 2017 | | 41,296.06 |
| October 1, 2017 | 1,089,715.40 | 41,296.06 |
| April 1, 2018 | | 21,027.35 |
| October 1, 2018 | 1,130,502.80 | 21,027.35 |

The County additionally agrees to pay a late fee in an amount equal to 5% of the late payment, not to exceed \$250, to the Series 2009 Bondholders in the event payments of principal or interest are not made on the required date.

SECTION 2.02. APPLICATION OF SERIES 2009 BOND PROCEEDS.

The proceeds derived from the sale of the Series 2009 Bonds, shall, simultaneously with the delivery of the Series 2009 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

- (i) An amount of the Series 2009 Bond proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2009 Bonds.
- (ii) The balance of the Series 2009 Bond proceeds shall be deposited into the Escrow Account to be applied to the redemption of the Refunded Obligations.

SECTION 2.03. EXECUTION OF BONDS. The Series 2009 Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the Clerk and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Series 2009 Bonds or whose facsimile signature shall

appear thereon shall cease to be such officer of the Issuer before the Series 2009 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2009 Bonds shall be actually sold and delivered.

SECTION 2.04. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.

In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer proof of his ownership thereof and indemnity satisfactory to the Issuer, and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or been called for redemption or be about to mature or be called for redemption, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.04 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Revenues to the same extent as all other Bonds issued hereunder.

SECTION 2.05. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration of transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration of transfer of the Bonds.

The transfer of any Bond shall be registered only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney with signature guaranteed. Upon the registration of transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered, the Issuer shall execute and authenticate and deliver such Bonds in accordance with the provisions of this Resolution. For every such exchange or registration of transfer, the Issuer may make a charge sufficient to reimburse it for any tax or other governmental charge imposed by an entity other than the Issuer with respect to such exchange or registration of transfer. The Issuer shall not be obligated to make any such exchange or registration of transfer of Bonds during the fifteen (15) days next preceding a Payment Date on the Bonds, or, in the case of any proposed redemption of Bonds, then, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and, in the case of the Bonds called for redemption, continuing until such redemption date.

SECTION 2.06. ADJUSTMENTS TO INTEREST RATE.

(a) The interest rate on the Series 2009 Bonds shall be subject to adjustment as described in this Section. Any adjustments shall be payable only after the Bondholder or its assigns has provided the Issuer written notice of such adjustments.

(b) Subject to the provisions of Section 2.06(a) above, the interest rate on the Series 2009 Bonds shall be adjusted (retroactively, if necessary) to provide the Bondholder with the same after-tax yield on the Series 2009 Bonds if (x) any amendments to existing law are adopted which adversely affect the after-tax yield, or (y) a Determination of Taxability shall occur, or (z) the Series 2009 Bonds shall be determined not to be "qualified tax-exempt bonds" within the meaning of Section 265(b)(3) of the Code.

(c) The above adjustments shall be cumulative, but in no event shall the interest rate on the Series 2009 Bonds exceed the maximum rate permitted by law. The above adjustments to the interest rate on the Series 2009 Bonds shall be effective on the effective date of the applicable change in the tax laws or regulations, provided such adjustment shall not become payable until after notice has been given pursuant to Section 2.06 (a) hereof. Interest on the Series 2009 Bonds and all other tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if the tax law change is effective after the first day of the Bondholder's tax year or if interest on the Series 2009 Bonds does not accrue for the entire tax year of the Bondholder.

(d) To the extent an adjustment to the interest rate on the Series 2009 Bonds is not effected within three (3) months of the event giving rise to the adjustment, the additional interest

due as a result of such adjustment shall be paid with interest thereon compounded monthly at the rate which is equal to the interest rate on the Series 2009 Bonds. All unpaid amounts determined to be owing as a result of such calculation shall be due and payable within ten (10) days after delivery of notice of the amount of such adjustment, and shall be paid to the Series 2009 Bondholder of record during the period to which the adjustment relates. This obligation shall survive the payment and cancellation of the Series 2009 Bonds.

(e) If any adjustments made to the interest rate on the Series 2009 Bonds pursuant to the terms of this Section shall cause such interest rate to be in violation of the maximum interest rate provisions of Section 215.84, Florida Statutes, the Series 2009 Bonds shall be subject to mandatory redemption within 30 days thereof, upon notice from the Bondholder or its assigns to redeem the Series 2009 Bonds.

SECTION 2.07. FORM OF BONDS. The text of the Bonds shall be in substantially the following form with such omissions, insertions and variations, as may be necessary and/or desirable and approved by the Chairman prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

**UNITED STATES OF AMERICA
STATE OF FLORIDA
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BOND
SERIES 2009**

KNOW ALL MEN BY THESE PRESENTS that Nassau County, Florida (the "Issuer"), for value received, hereby promises to pay, in the manner provided herein, to Branch Banking and Trust Company, as registered owner, or registered assigns, the principal sum of

\$8,842,306.80

solely from the Pledged Revenues (hereinafter defined) and to pay interest on the unpaid balance thereof from the date hereof. Interest shall be payable on the dates set forth below, at an annual rate equal to 3.72% per annum, computed based on a 360-day year, subject to adjustment as described below. The principal of this Bond shall be payable on October 1, 2010 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2018:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2010 | \$ 843,157.50 |
| 2011 | 878,413.00 |
| 2012 | 907,314.90 |
| 2013 | 944,787.00 |
| 2014 | 980,814.40 |
| 2015 | 1,014,800.60 |
| 2016 | 1,052,801.20 |
| 2017 | 1,089,715.40 |
| 2018 | 1,130,502.80 |

Interest shall be paid on each April 1 and October 1, commencing October 1, 2009, in an amount equal to the interest accrued and unpaid to such date. The interest rate on this Bond is subject to adjustment upon a Determination of Taxability (as defined in the Resolution) and certain other events affecting the tax status of the Issuer and the registered owner hereof, all as set forth in the Resolution defined below.

Both principal of and interest on this Bond are payable in lawful money of the United States of America by check or draft of the Paying Agent appointed by the Issuer to the owner of record as such owner shall appear in the registration books of the Issuer on the 15th day of the

month prior to such payment date. The final payment of principal of and interest on the Bonds shall be payable, upon presentation, at the office of the Paying Agent appointed by the Issuer. Notwithstanding the foregoing, with respect to owners of \$100,000 or more in aggregate principal amount of the Series 2009 Bonds and in all cases in the event there is only one Bondholder, all payments of principal and interest shall be made by wire transfer for the account of such Bondholder to an account within the continental United States designated in writing to the County. If a payment date for this Bond is not a business day, such payment date shall be the next succeeding business day, with interest accruing at the interest rate then due hereon until payment is made.

This Bond is issued for the principal purpose of providing moneys to finance the cost of refunding certain outstanding obligations of the County as specified and defined in the Resolution of the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.47, Florida Statutes, Section 336.021, Florida Statutes, the Issuer's Ordinance No. 98-19, duly enacted by the Board of County Commissioners of the Issuer on August 5, 1998, and other applicable provisions of law (the "Act") and Resolution No. 2009-_____, adopted May 20, 2009 (the "Resolution") and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable from and secured by a lien upon and a pledge of (1) proceeds received by the Issuer of the one-cent gas tax on motor fuel levied pursuant to Section 206.60, Florida Statutes and the tax on special fuel levied pursuant to Section 206.87, Florida Statutes and distributed to the Issuer pursuant to the provisions of Section 206.60 and Section 206.875, Florida Statutes, as more particularly described in the Resolution, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution (other than the Rebate Account), all in the manner and to the extent described in the Resolution (collectively, the "Pledged Revenues").

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer or the Project (as described in the Resolution), but shall constitute a lien only on, and shall be payable from, the Pledged Revenues.

Neither the members of the Board of County Commissioners of the Issuer nor the Chairman nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the principal office of the Registrar by

the registered owner hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, permitted by the Resolution. The 2009 Bonds are issuable in fully registered form in the denomination of \$8,842,306.80. The Issuer and any paying agent may treat the registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds are subject to redemption prior to their stated date of maturity, in whole but not in part, on any April 1 or October 1 upon 5 days prior written notice to the registered owners thereof, at a price of 101% of the principal amount thereof, plus accrued interest to the redemption date. The Bonds are subject to mandatory redemption under certain circumstances, as described in the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants and the rights, duties, immunities and obligations of the Issuer.

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

IN WITNESS WHEREOF, the Board of County Commissioners of Nassau County, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chairman, its official seal or a facsimile thereof to be affixed or reproduced hereon, and countersigned and attested to by the manual or facsimile signature of its Clerk, all as of the ____ day of _____, 2009.

NASSAU COUNTY, FLORIDA

(SEAL)

Chairman

ATTESTED AND COUNTERSIGNED:

Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____,
as attorneys to register the transfer of the said Bond on the books kept for registration thereof
with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

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

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration of enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. NOTICE OF REDEMPTION. Except as otherwise provided herein, notice of any redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be mailed first class, postage prepaid, at least five (5) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar.

SECTION 3.02. RESERVED.

SECTION 3.03. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

SECTION 3.04. PURCHASE OF BONDS BY ISSUER. Any Bonds purchased by the Issuer shall be canceled.

SECTION 3.05. PERMITTED AND REQUIRED REDEMPTIONS.

(A) The Series 2009 Bonds shall be subject to optional redemption on any April 1 or October 1, in whole but not in part, upon 5 days' prior written notice by the Issuer to the Bondholders, at a price equal to 101% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date.

(B) The Series 2009 Bonds shall be subject to mandatory redemption in whole, at a price equal to the Redemption Price, upon the occurrence of the circumstances described in Section 2.06(e) hereof.

ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable from and secured by a lien upon and pledge of the Pledged Revenues in accordance with the terms of this Resolution. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer, except from the Pledged Revenues, in the manner provided herein.

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Revenues. The Issuer does hereby irrevocably pledge the Pledged Revenues to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. The Pledged Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish a special fund to be known as the "Nassau County, Florida Gas Tax Revenue Bonds Construction Fund," which shall be used only for payment of the Cost of Projects. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be held in trust by the Issuer, and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The proceeds of insurance maintained against physical loss of or damage to any Project, or the contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the Construction Fund.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Fund to pay the Cost of a Project. The Issuer shall keep records of such disbursements and payments and shall retain all such records for six (6) years from the dates of such records.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal and interest on Bonds, when due.

The date of completion of acquisition and construction of each Project shall be determined by an Authorized Issuer Officer who shall certify such fact in writing to the Board of County Commissioners. Promptly after the date of the completion of each Project, and after paying or making provisions for the payment of all unpaid items of the Cost of the Project, the Issuer shall deposit any balance of moneys remaining in the Construction Fund to the Redemption Account.

SECTION 4.04. FUND AND ACCOUNTS. The Issuer covenants and agrees to establish a special fund to be known as the "Nassau County, Florida Gas Tax Revenue Bonds Debt Service Fund." The Issuer shall maintain in the Debt Service Fund four accounts: the "Revenue Account," the "Payment Account," the "Redemption Account" and the "Rebate Account". Moneys in the aforementioned fund and accounts (other than moneys on deposit in the Rebate Account), until applied in accordance with the provisions hereof, shall be held in trust for and be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

SECTION 4.05. FLOW OF FUNDS.

(A) All Gas Tax Revenues shall be deposited, as received, after application with respect to the payment of the Issuer's Gas Tax Revenue Bonds, Series 1998 maturing October 1, 2009, into the Revenue Account of the Debt Service Fund. Not later than the last day of each month, the Issuer shall apply such moneys in the following manner and in the following order of priority:

(1) Payment Account. The Issuer shall deposit or credit to the Payment Account of the Debt Service Fund, from the Revenue Account, the sum which, together with the balance in said Account, shall equal (i) the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the current calendar month, and (ii) the principal next due which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue daily (assuming that a year consists of twelve (12) calendar months of thirty (30) days each) in equal amounts from the next preceding principal payment due date, or if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Payment Account shall be used for payment of principal of and interest on the Bonds when the same become due and payable. In the event the Issuer shall determine that any moneys in the Payment Account shall not be required to pay the principal or interest of Bonds coming due on the otherwise corresponding Payment Date because such Bonds have been called or redeemed, the Issuer shall transfer such moneys to the Redemption Account.

(2) Rebate Account. The Issuer shall next deposit into the Rebate Account, from the Revenue Account, all amounts required to be deposited therein in order to make timely rebate payments to the United States government pursuant to Section 4.06 hereof.

(3) Redemption Account. The Issuer shall next deposit into the Redemption Account any amount to be applied to the redemption of Bonds pursuant to Article III

hereof. Excess moneys on deposit in the Construction Fund shall be deposited to the Redemption Account in accordance with the provisions of Section 4.03 hereof.

(4) The balance of any moneys remaining in the Revenue Account after payment of amounts required by Section 4.05(A)(1) through 4.05(A)(3) hereof may be used for any lawful purpose.

(B) On or before the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, and interest.

SECTION 4.06. REBATE ACCOUNT. Amounts on deposit in the Rebate Account shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Account) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The Issuer agrees to undertake all actions required of it in its Certificate as to Arbitrage and Certain Other Tax Matters, dated the date of issuance of the Bonds, relating to such Bonds, as well as any successor Certificate thereto, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Account;

(B) depositing the amount determined in clause (A) above in the Rebate Account;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Account and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with "gross proceeds" of the Bonds (as defined in the Code).

The provisions of the above-described Certificate as to Arbitrage and Certain Other Tax Matters may be amended from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.07. INVESTMENTS. The Construction Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund and the Debt Service Fund may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Revenue Account and the Rebate Account shall be retained in such respective Fund or Account. Any and all income received by the Issuer from the investment of moneys in the Redemption Account shall be transferred to the Revenue Account. All investments shall be valued at amortized cost.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein 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 as herein provided.

The designation and establishment of the various funds and accounts in and by this 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 herein provided.

ARTICLE V

COVENANTS OF THE ISSUER

SECTION 5.01. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Gas Tax Revenues and the funds and accounts established hereunder in accordance with generally accepted accounting principles, and the Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more series of Additional Bonds for any one or more of the following purposes: financing the Cost of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any subordinated indebtedness of the Issuer.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(D) hereof, there shall have been obtained and filed with the Issuer a statement of the Clerk: (1) stating that the books and records of the Issuer relating to the Gas Tax Revenues have been examined by him; (2) setting forth the amount of the Gas Tax Revenues which has been received by the Issuer during any twelve (12) consecutive months designated by the Issuer within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made and (3) stating that the amount of the Gas Tax Revenues received during the aforementioned 12-month period equals at least 1.30 times the Maximum Annual Debt Service of all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made.

(B) For the purpose of determining the Maximum Annual Debt Service under Section 5.02(A) hereof, the interest rate on additional parity variable rate Bonds then proposed to be issued and on Outstanding variable rate Bonds shall be deemed to be the maximum interest rate applicable thereto.

(C) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Revenues and their sources and security for payment therefrom without preference of any Bonds over any other.

(D) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02 hereof shall not apply, provided that (1) the issuance of such Additional 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, and (2) the Annual Debt Service on such Additional Bonds in any Fiscal Year does not exceed by more than ten percent (10%) of the Annual Debt Service in any corresponding Fiscal Year on the Bonds being refunded. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund subordinated indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of the first sentence in this paragraph.

(E) No Additional Bonds shall be issued hereunder if any Event of Default shall have occurred and be continuing hereunder.

SECTION 5.03 ANNUAL AUDIT. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statement shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to the Bondholders promptly upon completion, but in no event later than 210 days after the end of the Fiscal Year.

SECTION 5.04. NO IMPAIRMENT. The pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Board without the prior written consent of the holders of all Bonds outstanding.

SECTION 5.05. FEDERAL INCOME TAX COVENANTS. The Issuer covenants with the Holders of the Bonds that it shall not use the proceeds of such Bonds in any manner which would cause the interest on such Bonds to be included in gross income for purposes of federal income taxation to the extent not otherwise included therein on the date of issuance of the Bonds.

The Issuer covenants with the Holders of the Bonds that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Bonds to be included in gross income for purposes of federal income taxation.

The Issuer hereby covenants with the Holders of Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

SECTION 5.06. COLLECTION OF GAS TAX REVENUES. The Issuer covenants to do all things necessary on its part to maintain its eligibility to participate in the distribution of the Gas Tax Revenues required by the Act. The Issuer will proceed diligently to perform legally and effectively all steps required on its part in the levy and collection of Gas Tax Revenues and shall exercise all legally available remedies to enforce such collection now or hereafter available under State law.

SECTION 5.07. OTHER MONEYS. The Issuer may, in its sole discretion, utilize other legally available moneys, in addition to the Pledged Revenues, to pay the principal of and interest on the Bonds.

SECTION 5.08. WAIVER OF JURY TRIAL. With respect to any suit or action between the Issuer and the Bondholders relating to the Bonds or this Resolution, the Issuer and the Bondholders each expressly waive any right to a jury trial, and agree that exclusive venue for such suit or action shall be Nassau County, Florida.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of, redemption premium, if any, or interest on any Bond, when due.

(B) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holders of not less than ten percent (10%) of the aggregate principal amount of Bonds Outstanding.

(C) An Act of Bankruptcy shall have occurred with respect to the Issuer.

Notice of any default by the Issuer hereunder shall be given promptly to the Bondholders.

SECTION 6.02. REMEDIES. Whenever any Default referred to in Section 6.01 hereof shall have happened and be continuing, the Bondholder or its assigns, may take one or any combination of the following remedial steps:

(a) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts and data of the Issuer during regular business hours; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, including declaring the entire unpaid principal amount of the Bonds to be immediately due and payable, and upon such declaration the same shall become immediately due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the Issuer under this Resolution or to enforce the lien granted hereunder on the Pledged Revenues.

SECTION 6.03. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If any remedial action is discontinued or abandoned, the Bondholders shall be restored to their former position.

SECTION 6.04. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article VI to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. SUPPLEMENTAL RESOLUTIONS. The Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution other than in this Section 7.01 to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.01. No Supplemental Resolution may be approved or adopted without approval of the owners of 100% in aggregate principal amount of Bonds then outstanding which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Revenues other than the lien and pledge created by this Resolution or any other lien or pledge permitted by the terms of this Resolution which materially adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.01, the Clerk shall give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.01 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.01.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.01, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. DEFEASANCE. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Revenues, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Defeasance Obligations, which in either case shall be verified by an independent certified public accountant to be in such amount that the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (C) the Issuer shall receive an opinion of Bond Counsel to the effect that refunded Bonds are defeased in accordance with this Section 8.01 and, therefore, are no longer Outstanding under this Resolution. Except as hereafter provided, neither the Defeasance Obligations nor any moneys so deposited with such banking institution or trust company nor any moneys received by such banking institution or trust company on account of principal of or Redemption Price, if applicable, or interest on said Defeasance Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Defeasance Obligations and moneys for the deposited Defeasance Obligations and moneys if the new Defeasance Obligations and moneys are verified by an independent certified public accountant as being sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Defeasance Obligations has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 8.02. SALE OF BONDS. The negotiated sale of the Series 2009 Bonds to Branch Banking and Trust Company, as the initial Bondholder, is hereby authorized at a price equal to 100% of the principal amount of the Series 2009 Bonds.

SECTION 8.03. VALIDATION AUTHORIZED. To the extent deemed necessary or desirable by Bond Counsel, Bond Counsel is authorized to institute appropriate proceedings for validation of the Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 8.04. 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, an Escrow Deposit Agreement and to deliver the same to The Bank of New York Mellon Trust Company, National Association, as escrow agent (the "Escrow Agent"). All of the provisions of the Escrow Deposit Agreement, when executed 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 Resolution as fully and to the same extent as if incorporated verbatim herein, and the Escrow Deposit Agreement shall be in substantially the form of the Escrow Deposit Agreement attached hereto as Exhibit A, with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Deposit Agreement, as may be approved by said Chairman. Execution by the Chairman of the Escrow Deposit Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 8.05. APPOINTMENT OF PAYING AGENT AND REGISTRAR. The Issuer hereby appoints The Bank of New York Mellon Trust Company, National Association, as Registrar and Paying Agent with respect to the Series 2009 Bonds.

SECTION 8.06. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.07. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 8.08. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption."

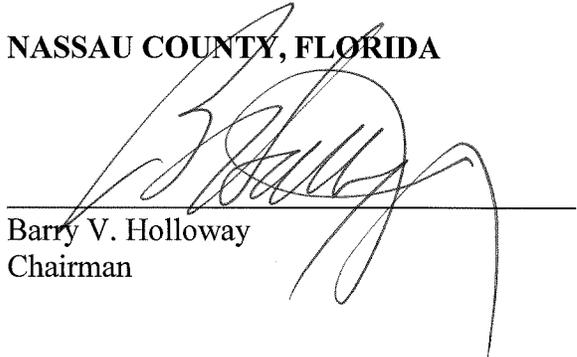
Section 2. All resolutions previously adopted with respect to the County's Gas Tax Revenue Bonds, Series 2009, including Resolution No. 2009-101, adopted May 11, 2009, are hereby superceded and of no further effect.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of County Commissioners of Nassau County, Florida this 20th day of May, 2009.

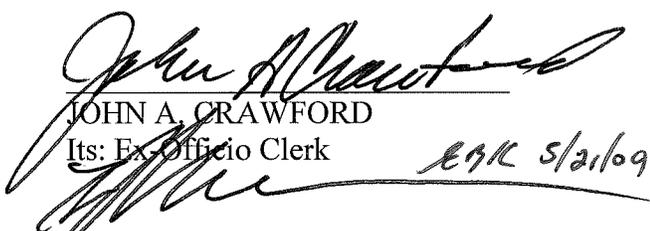
NASSAU COUNTY, FLORIDA

(SEAL)



Barry V. Holloway
Chairman

Attest as to Chairman's signature:

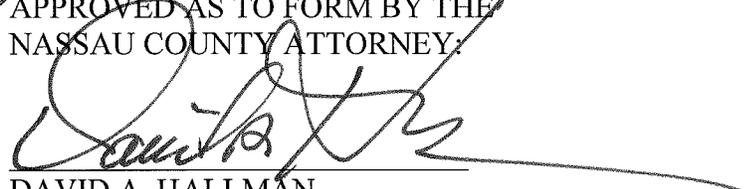


JOHN A. CRAWFORD

Its: Ex-Officio Clerk

EGK 5/21/09

APPROVED AS TO FORM BY THE
NASSAU COUNTY ATTORNEY:



DAVID A. HALLMAN

EXHIBIT A
FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT (the "Agreement"), dated as of May 1, 2009, by and between Nassau County, Florida, a duly created and validly existing political subdivision of the State of Florida (the "County"), and _____ (the "Escrow Agent"), a national banking association having its designated corporate trust office in Jacksonville, Florida, as escrow agent hereunder.

WHEREAS, the County has heretofore issued its Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds") pursuant to the provisions of Ordinance No. 98-19 of the Board of County Commissioners of the County, enacted August 5, 1998, and pursuant to the provisions of Resolution No. 98-12 of the Board of County Commissioners of the County, adopted July 27, 1998, as amended and supplemented (the "1998 Resolution"); and

WHEREAS, the County has determined to issue its \$_____ Gas Tax Revenue Bonds, Series 2009 (the "Series 2009 Bonds") pursuant to Resolution No. _____ adopted by the Board of County Commissioners on April 27, 2009, and desires to utilize certain proceeds of such Series 2009 Bonds, together with certain other funds of the County, to buy the Escrow Securities (hereinafter defined) in order to provide payment for the 1998 Bonds other than the 1998 Bonds maturing October 1, 2009 (the "Refunded Bonds") through the redemption date thereof and discharge and satisfy the pledges, liens and other obligations of the County under the 1998 Resolution in regard to such Refunded Bonds; and

WHEREAS, the issuance of the Series 2009 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 County under the 1998 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 stated above are true and correct and incorporated herein.
2. Receipt of the 1998 Resolution, certified by the Clerk of the Court to be true and correct, is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the 1998 Resolution are incorporated herein by reference. Reference herein to or citation herein of any provisions of the 1998 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 County 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 Gas Tax Revenue Bonds, Series 1998 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 County 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 County represents that \$_____ of such amount constitutes proceeds of the Series 2009 Bonds and the remainder of such funds are derived from the sinking fund held under the 1998 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 County's deposit, it has used \$_____ of such deposit to purchase on behalf of and for the account of the County, certain direct 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. 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. The County represents that the amount deposited into the Escrow Fund is sufficient 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 County shall timely deposit to the Escrow Fund, solely from legally available funds of the County, 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 County as promptly as possible, but the Escrow Agent shall in no manner be responsible for the County'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 of, 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 16 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 Cash Deposit 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, neither the County nor the Escrow Agent shall otherwise invest or reinvest any moneys in the Escrow Fund.

10. The County 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 1998 Resolution. The County hereby irrevocably instructs the Escrow Agent to cause the paying agent for the Refunded Bonds to give notice of redemption of the Refunded Bonds in the manner provided in the 1998 Resolution, and the Escrow Agent hereby agrees to perform said function. The Refunded Bonds shall be redeemed on _____, 2009 at a redemption price of 101% of par, plus accrued interest.

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 1998 Resolution.

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 1998 Resolution. Neither the County 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 County 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 County 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 this Agreement to 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 County agrees to and shall pay to the Escrow Agent a one-time up front fee of \$_____ plus expenses, and 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 County hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to the extent permitted by law, 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 County 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, any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement and performance by the Escrow Agent of any other action required or permitted to be undertaken by it under this Agreement; provided, however, that the County shall not be required to indemnify the Escrow Agent against its own gross negligence or willful misconduct. In no event shall the County be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section 14. The indemnities contained in this Section 14 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. No implied covenants or duties shall be read into this Agreement against the Escrow Agent. 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

County 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 County with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund 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. 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 County 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 County 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 County shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The County 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 15.

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 remit to the County the prorated portion of prepaid fees not yet incurred or payable, less any termination fees and expenses at the time of discharge, and shall have no further liability hereunder and the County shall 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 County 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 County 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 County 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 County.

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.

16. 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 County.

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

18. If any one or more of the covenants or agreements provided in this Agreement on the part of the County 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.

19. 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.

20. 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:

Board of County Commissioners of Nassau County, Florida
P. O. Box 1010
Fernandina Beach, FL 32025
Attention: Chief Financial Officer

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.

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

(SEAL)

By: _____
Chairman

ATTEST:

Clerk

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.

_____, as Escrow Agent

(SEAL)

By: _____
Title: Authorized Officer

ATTEST:

By: _____
Title:

SCHEDULE A

INITIAL ESCROW SECURITIES

| <u>Maturity Date</u> | <u>Type</u> | <u>Interest Rate</u> | <u>Par Amount</u> |
|----------------------|-------------|----------------------|-------------------|
|----------------------|-------------|----------------------|-------------------|

SCHEDULE B

Refunding Payment Schedule

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Redemption Premium</u> | <u>Total</u> |
|-------------|------------------|-----------------|-------------------------------|--------------|
|-------------|------------------|-----------------|-------------------------------|--------------|