

RESOLUTION NO. 2011- 47

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE BY THE COUNTY OF \$11,169,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SOUTH AMELIA ISLAND SHORE STABILIZATION SPECIAL ASSESSMENT BONDS, SERIES 2011, TO FINANCE THE COST OF CERTAIN CAPITAL IMPROVEMENTS BENEFITTING PROPERTY WITHIN THE SOUTH AMELIA ISLAND SHORE STABILIZATION MUNICIPAL SERVICES BENEFIT UNIT; PLEDGING AS SECURITY FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS THE SPECIAL ASSESSMENTS LEVIED ANNUALLY UPON PROPERTIES WHICH SHALL BE SPECIALLY BENEFITTED BY SUCH IMPROVEMENTS, ALL MONEYS ON DEPOSIT IN AND INVESTMENTS HELD FOR THE CREDIT OF CERTAIN FUNDS CREATED HEREUNDER, AND THE EARNINGS ON SUCH INVESTMENTS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF SAID BONDS; PROVIDING FOR THE TERMS AND DETAILS OF THE BONDS, INCLUDING AUTHORIZING A NEGOTIATED SALE OF THE BONDS TO COMPASS MORTGAGE CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

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NOW, THEREFORE, 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 Section 125.01, Florida Statutes, et seq., the Assessment Ordinance, and other applicable provisions of law.

"Approved Costs" shall mean those Costs set forth in the Project Budget on file with the Clerk which can lawfully be funded from Bond proceeds, with such modifications as may be lawful and shall be established from time to time by the Issuer.

"Assessment Administrator" shall mean South Amelia Island Shore Stabilization Association, Inc., or such successor entity as appointed by the Issuer.

"Assessment Ordinance" shall mean Ordinance No. 94-1, enacted by the Governing Body on October 11, 1993, as the same may be amended and supplemented.

"Assessment Resolution" shall mean, collectively, Resolution No. 2011-31 of the Governing Body, adopted January 10, 2011, and Resolution No. 2011-46, adopted February 28, 2011, as amended and supplemented.

"Authorized Depository" shall mean the State Board of Administration or a bank or trust company in the State which is eligible under the laws of the State to receive funds of the Issuer.

"Authorized Investments" shall mean all accounts with the State Board of Administration and any investments which shall be authorized from time to time by applicable laws of the State for deposit or purchase by the Issuer for the temporary investment of its funds.

"Authorized Issuer Officer" shall mean the Chairman of the Board of County Commissioners, 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.

"Bond" or "Bonds" shall mean the obligations of the Issuer authorized to be issued pursuant to Section 2.01 hereof.

"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 "Owner" when used with reference to a Bond or Bonds, shall mean any Person who shall be the registered owner of any Bond or Bonds according to the registration books of the Issuer.

"Bond Year" shall mean the period commencing October 2 of each year and ending October 1 of the following year, provided that the initial Bond Year shall begin on the date of issuance of the Bonds and end October 1, 2011.

"Chairman" shall mean the Chairman of the Governing Body or such other person as may be duly authorized by the Issuer to act on his or her behalf.

"Clerk" shall mean the Clerk of the Circuit Court, ex-officio Clerk of the Governing Body, or such other person as may be duly authorized by the Issuer 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.

"Collection Costs" shall mean all costs and expenses of collection of the Assessments, which shall be billed by the Issuer as part of the Assessments, or installments thereof, or which may be billed separately from the Assessments.

"Cost" or "Costs" when used in connection with the Project, shall mean (1) costs of construction by or for the Issuer of any part of the Project; (2) costs incidental to such construction; (3) the cost of any insurance or indemnity or surety bonds necessitated by the Project; (4) engineering, legal, feasibility and other consultant fees and expenses relating to the Project; (5) costs and expenses incidental to the issuance of the Bonds; (6) interest on the Bonds accruing during construction of the Project; and (7) any other costs properly attributable to the issuance of the Bonds and/or such construction, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer of any cost heretofore paid, provided the Issuer shall receive an opinion of Bond Counsel that such reimbursement will not adversely affect the tax-exempt status of the Bonds.

"Delinquent Assessments" shall mean any installment of any Assessment which is not paid when due.

"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 Bonds 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.

"Federal Securities" means, to the extent permitted by law for investment as contemplated herein, (i) any direct and general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) any tax-exempt obligations which are fully secured as to principal and interest by an irrevocable pledge of moneys or obligations described in (i) above, which moneys or obligations are segregated in trust and pledged for the benefit of the owners of the tax-exempt obligations, (iii) certificates of ownership of the principal or interest of obligations described in (i) above, which obligations are held in trust and (iv) investment agreements at least 100% collateralized by obligations described in clauses (i), (ii) and (iii) above.

"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.

"Governing Body" shall mean the Board of County Commissioners of the Issuer or its successor in function.

"Issuer" shall mean Nassau County, Florida.

"MSBU" shall mean the South Amelia Island Shore Stabilization Municipal Services Benefit Unit established by the Assessment Ordinance.

"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 2.05 hereof, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Section 2.06 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 the Clerk of Circuit Court, ex officio Clerk of the Board of County Commissioners of Nassau County, Florida, as initial paying agent for the Bonds, and any other Person which may at any time be substituted as paying agent for the Bonds pursuant to resolution of the Governing Body.

"Payment Date" shall mean April 1 and October 1 of each year, commencing October 1, 2011.

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

"Pledged Funds" shall mean (a) the Pledged Revenues, (b) the Special Assessment Fund, the Sinking Fund, the Redemption Fund and all amounts therein, income therefrom and investments thereof, and (c) until applied in accordance with the provisions of this Resolution, the proceeds of the Bonds in the Project Fund, and all income therefrom and investments thereof. Pledged Funds shall not include the Rebate Fund or income therefrom or investments thereof.

"Pledged Revenues" shall mean revenues derived or to be derived from the Special Assessments, including amounts received from the sale of tax certificates or otherwise received from the collection of Delinquent Assessments, interest and penalties on the Assessments and proceeds of any reassessment pursuant to the Resolution.

"Project" shall mean the shore stabilization project described in the Assessment Resolution, as the same may be modified from time to time.

"Project Fund" shall mean the South Amelia Island Shore Stabilization Project Fund established pursuant to Section 4.03 hereof.

"Property Appraiser" shall mean the Property Appraiser of Nassau County, Florida, or the person succeeding to his or her principal functions.

"Rebate Amount" shall mean the amount, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

"Rebate Fund" shall mean the South Amelia Island Shore Stabilization Rebate Fund established pursuant to Section 4.03 hereof.

"Redemption Fund" shall mean the South Amelia Island Shore Stabilization Redemption Fund established pursuant to Section 4.03 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Registrar" shall mean the Clerk of Circuit Court, ex officio Clerk of the Board of County Commissioners of Nassau County, Florida, as initial registrar for the Bonds, and any other Person which may at any time be substituted as registrar for the Bonds pursuant to resolution of the Governing Body.

"Resolution" and "this Resolution" shall mean this instrument, as the same may from time to time be amended, modified or supplemented by any and all resolutions of the Governing Body.

"Sinking Fund" shall mean the South Amelia Island Shore Stabilization Sinking Fund established pursuant to Section 4.03 hereof.

"Special Assessment Fund" shall mean the South Amelia Island Shore Stabilization Special Assessment Fund established pursuant to Section 4.03 hereof.

"Special Assessments" or "Assessments" means the special non-ad valorem assessments imposed annually by the Issuer within the territorial limits of the MSBU pursuant to the Assessment Ordinance and the Assessment Resolution and any future legislation imposing such assessments, including interest and penalties thereon, amounts received from the sale of tax certificates or otherwise received from the collection of Delinquent Assessments and proceeds of any reassessment pursuant hereto, collected by or on behalf of the Issuer pursuant to Chapter 197, Florida Statutes. In no event shall any ad valorem taxes be included in the definition of "Special Assessments" or otherwise subject to pledge under this Resolution.

"State" shall mean the State of Florida.

"Tax Collector" shall mean the Tax Collector of Nassau County, Florida, or the person succeeding to his or her principal functions.

"Taxable Rate" shall mean 5.03% per annum.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "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 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 and of the Assessment Ordinance and the Assessment Resolution, to the extent they afford rights or security for the Bonds, 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 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 as follows:

(A) Pursuant to the Assessment Ordinance, the Issuer determined that there exists and will in the foreseeable future exist a need for a beach renourishment program in the south area of Amelia Island within the boundaries of Nassau County, Florida, and that the best means of accomplishing and funding the program is to create a municipal services benefit unit encompassing those areas to be specially benefitted by such program and impose Special Assessments within such areas; and pursuant to the Assessment Resolution, the Governing Body, among other provisions, established procedures for measurements and collection of Special Assessments, adopted the assessment roll for Fiscal Year 2012 and imposed Special Assessments for Fiscal Year 2012.

(B) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the Project be undertaken. A portion of the Cost of the Project shall be financed with the proceeds of the Bonds. After review of expert opinion and public hearings, the Issuer has found that the estimated benefits to be derived from the Project by the owners of property in the MSBU specially benefitted thereby will exceed the principal amount of the Bonds, including interest thereon, and the amounts of all Special Assessments and that the method of allocation of Special Assessments reflects the relative benefits to be received by property owners in the MSBU.

(C) The Issuer deems it necessary, desirable and in the best interest of the Issuer that the Pledged Funds be pledged to the payment of the principal of and interest on the Bonds. No part of the Pledged Funds has been pledged or encumbered in any manner.

(D) The estimated Pledged Revenues to be derived in each year hereafter will be sufficient to pay the principal of and interest on the Bonds, as the same become due, and all other payments provided for in this Resolution, and any other Cost of the Project not funded from Bond proceeds.

(E) The principal of and interest on the Bonds and all other payments provided for in this Resolution will be paid solely from the sources herein provided in accordance with the terms hereof; and no Holder of any or all of the Bonds shall have the right to compel the exercise of any ad valorem taxing power to pay the principal of or interest on the Bonds or to make any other payments provided for in this Resolution, and the Bonds shall not constitute a lien upon the Project or upon any other property of the Issuer situated within its territorial limits, except the Pledged Funds.

(F) The Governing Body is advised that due to the present volatility of the market for tax-exempt public obligations such as the Bonds, it is in the best interest of the Issuer to sell the Bonds by a negotiated sale, allowing the Issuer to enter such market at the most advantageous time, rather than at a specified advertised future date, thereby permitting the Issuer to obtain the best possible price, interest rate and other terms for the Bonds and, accordingly, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Bonds be authorized. The Issuer acknowledges that receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the

Bonds, as set forth in Exhibit B attached hereto, is a precondition to the sale of the Bonds to the purchaser thereof.

SECTION 1.05 Authorization of Project. The acquisition, construction and installation of the Project in the manner herein provided is hereby authorized.

ARTICLE II
AUTHORIZATION, TERMS AND EXECUTIONS OF BONDS

SECTION 2.01 Authorization of Bonds. For the purpose of financing all or a part of the Cost of the Project, the Issuer hereby authorizes the issuance of the Bonds, to be designated as "Nassau County, Florida, South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2011," in the manner herein provided. The Bonds shall be issued in the aggregate principal amount of \$11,169,000, subject to the draw-down provisions referenced below, and shall be issued initially as a single Bond in the principal amount of \$11,169,000.

SECTION 2.02 Description of Bonds. The Bonds shall be dated March 15, 2011. Interest on the Bonds will accrue from the respective dates the principal thereof is drawn down by the Issuer to fund the Cost of the Project. 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 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. Principal of and interest on the 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 Bonds shall accrue from the date proceeds thereof are drawn down hereunder to the maturity date thereof at the rate of 3.27% per annum, subject to adjustment from time to time as set forth in Section 2.07 hereof, and shall be payable on each April 1 and October 1 commencing on October 1, 2011. Principal on the Bonds shall be payable on October 1, 2012 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2019:

<u>Year</u>	<u>Principal Due</u>
2012	\$1,397,000
2013	1,396,000
2014	1,396,000
2015	1,396,000
2016	1,396,000
2017	1,396,000
2018	1,396,000
2019	1,396,000

provided, that (i) not less than 50% of the principal amount of the Bonds shall be drawn down by April 14, 2011, and (ii) if by December 31, 2011 (or such later date agreed upon in writing by the Bondholders, which later date shall in no event be later than March 15, 2014) the Issuer has not drawn down the full principal amount of the Bonds, the principal amount thereof shall be deemed the amount so drawn down, the remaining principal authorization shall be canceled, and

the afore-referenced principal payments shall be proportionately reduced based upon the difference between \$11,169,000 and the reduced principal amount of the Bonds. The Issuer additionally agrees to pay a late fee in an amount equal to 5% of any late payment, not to exceed \$250, to the Bondholders in the event payments of principal or interest are not made on the required date. The fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The fee shall be immediately due and payable and shall be paid by the Issuer to the Bondholders without notice or demand. This provision for a fee is not and shall not be deemed a grace period, and the Bondholders have no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any default then existing or thereafter arising under the Bonds. The foregoing right to a late charge is in addition to, and not in limitation of, any other rights which the Bondholders may have upon the Issuer's failure to make a timely payment.

From and after the maturity date of any or all of the Bonds (deposit of moneys for the payment of the principal and interest on such Bonds having been made by the Issuer with the Paying Agent), notwithstanding that the Bonds shall not have been surrendered for cancellation, no further interest shall accrue upon the principal or upon the interest which shall have accrued and shall then be due on such date, and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders of such Bonds shall have no rights in respect of the Bonds except to receive payment of such principal and unpaid interest accrued to the maturity date.

SECTION 2.03 Application of Bond Proceeds. Proceeds of the initial draw-down of the Bonds shall, simultaneously with the delivery of the Bonds to the purchasers thereof, be applied by the Issuer as follows:

(A) A sufficient amount of Bond proceeds shall be used to pay all costs and expenses in connection with the preparation, issuance and sale of the Bonds.

(B) The balance of the proceeds of such draw shall be deposited into the Project Fund.

Proceeds of all future draw-downs shall be deposited into the Project Fund.

SECTION 2.04 Execution of Bonds. The 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 impressed or imprinted thereon, attested and countersigned with the signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the 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 the Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of 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 adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05 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 in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. Any Bond so surrendered or otherwise substituted shall be cancelled by the Issuer. If the Bond shall have matured or be about to mature, 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 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section 2.05 shall constitute an original, additional contractual obligation 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 Funds to the same extent as any prior Bond issued hereunder and shall be entitled to the same benefits and security as the Bond so lost, stolen or destroyed.

SECTION 2.06 Negotiability and Transfer. The Bonds issued under this Resolution shall be and have all the qualities and incidents of a negotiable instrument under the laws of the State, subject to the provisions for registration and 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 and transfer of the Bonds.

The Bonds shall be transferable 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 such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of the Bond, the Issuer shall issue, in the name of the transferee, a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Issuer, any Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name the Bond shall be registered upon the books of the Issuer as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on the Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid and neither the Issuer nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

Any Bond surrendered in any such transfer shall be canceled by the Registrar. For every such transfer of any Bond, the Issuer may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such transfer. The Issuer shall not be obligated to make any such transfer of any Bond during the fifteen (15) days next preceding a Payment Date on the Bonds, or, in the case of any proposed redemption of the Bonds, during the fifteen (15) days next preceding the date of the first mailing of the notice of such redemption and, in the case of the Bonds called for redemption, continuing until such redemption date.

SECTION 2.07 Adjustments to Interest Rate.

(A) The interest rate on the 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 2.07(A) above, the interest rate on the Bonds shall be adjusted as follows:

(1) Partial Taxability. If the interest payments received under the Bonds during any period become partially taxable to the extent not otherwise taxable on the date of issuance thereof because of any change in the tax laws or regulations, then the interest rate on the Bonds shall be increased during such period by an amount equal to $(A-B) \times C$ where:

(i) A equals the Taxable Rate (expressed as a percentage);

(ii) B equals the interest rate on the Bonds (expressed as a percentage);
and

(iii) C equals the fraction of the interest rate on the Bonds which has become taxable as a result of such tax change (expressed as a decimal).

(2) Loss of Federal Income Tax Deduction for State Income Taxes. If the federal income tax deduction for state income taxes paid on the interest payments received under the Bonds during any period is reduced because of any change in the tax laws or regulations, then the interest rate on the Bonds otherwise applicable will be increased during such period by an amount equal to $A \times B \times C \times D$ where:

(a) A equals the fraction (expressed as a decimal) of the total state income tax disallowed as a result of such tax law change;

(b) B equals the rate of the applicable state income tax (expressed as a decimal);

(c) C equals the maximum federal corporate tax rate then in effect for the Bondholder (expressed as a decimal); and

(d) D equals the interest rate on the Bonds otherwise applicable (expressed as a percentage).

(3) Other Changes in Tax Laws. If the tax laws or regulations are amended to cause the interest on the Bonds to become taxable to the extent not otherwise taxable on the date of issuance thereof, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after tax yield on the Bonds to the Bondholder (directly or indirectly, including, with limitation, an increase in the maximum corporate tax rate, other than a changed described in (1) or (2) above or because of a Determination of Taxability) then the interest rate on the Bonds shall be adjusted to cause the after tax yield on the Bonds after payment of any increase in tax, to equal what the after tax yield on the Bonds would have been in the absence of such change or amendment in the tax laws or regulations.

(C) The above adjustments shall be cumulative, but in no event shall the interest rate on the Bonds exceed the maximum rate permitted by law. The above adjustments to the interest rate on the 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 2.07(A) hereof. Interest on the 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 Bonds does not accrue for the entire tax year of the Bondholder. Adjustments which create a circular calculation because the interest rate on the Bonds is affected by the calculation shall be carried out sequentially, increasing the interest rate on the Bonds caused by the next successive calculation until the change on the interest rate on the Bonds caused by the next successive calculation of the adjustment is de minimis. If more than one of the paragraphs numbered (1) through (3) above apply, then the interest rate on the Bonds shall be adjusted in the order in which listed above.

(D) To the extent an adjustment to the interest rate on the 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 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 Bondholder of record during the period to which the adjustment relates. This obligation shall survive the payment and cancellation of the Bonds.

(E) If any adjustments made to the interest rate on the 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 Bonds shall be subject to mandatory

redemption within 30 days thereof, upon notice from Bondholder or its assigns to redeem the Bonds.

(F) Upon the occurrence of a Determination of Taxability, the interest rate on the Bonds shall be adjusted, effective the effective date of the Determination of Taxability, to a rate equal to the Taxable Rate. Upon the occurrence of a default pursuant to Section 6.01(A) hereof and the continuance thereof for a period of twenty (20) days, interest on the Bonds shall accrue from the date of the default at a rate equal to the greater of five percent per annum in excess of the rate otherwise applicable to the Bonds and the maximum rate allowed by applicable law.

SECTION 2.08 Form of Bonds. 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 or the Clerk 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):

\$11,169,000

No. R-1

**UNITED STATES OF AMERICA
STATE OF FLORIDA,
NASSAU COUNTY
SOUTH AMELIA ISLAND SHORE STABILIZATION
SPECIAL ASSESSMENT BOND
SERIES 2011**

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 Compass Mortgage Corporation, as registered owner, or registered assigns, the principal sum of

\$11,169,000

solely from the Pledged Revenues (hereinafter defined) and to pay interest on the unpaid balance thereof drawn down pursuant to the Resolution (as hereinafter defined) from the date hereof. Interest shall be payable on April 1 and October 1 of each year, commencing October 1, 2011, at an annual rate equal to 3.27% per annum, computed based on a 360-day year comprised of twelve 30-day months. The principal of this Bond shall be payable on October 1, 2012 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2019:

<u>Year</u>	<u>Amount</u>
2012	\$1,397,000
2013	1,396,000
2014	1,396,000
2015	1,396,000
2016	1,396,000
2017	1,396,000
2018	1,396,000
2019	1,396,000

provided, that (i) not less than 50% of the principal amount of the Bonds shall be drawn down by April 14, 2011, and (ii) if by December 31, 2011 (or such later date agreed upon in writing by the registered owner, which later date shall in no event be later than March 15, 2014) the Issuer has not drawn down the full principal amount of the Bonds, the principal amount thereof shall be

deemed the amount so drawn down, the remaining principal authorization shall be canceled, and the afore-referenced principal payments shall be proportionately reduced based upon the difference between \$11,169,000 and the reduced principal amount of the Bonds. The Issuer additionally agrees to pay a late fee in an amount equal to 5% of the late payment, not to exceed \$250, to the Bondholders in the event payments of principal or interest are not made on the required date. The fee is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The fee shall be immediately due and payable and shall be paid by the Issuer to the Bondholders without notice or demand. This provision for a fee is not and shall not be deemed a grace period, and the Bondholders have no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any default then existing or thereafter arising under the Bonds. The foregoing right to a late charge is in addition to, and not in limitation of, any other rights which the Bondholders may have upon the Issuer's failure to make a timely payment.

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 Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer, as Paying Agent, 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 Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer, as Paying Agent. If a payment date for this Bond is not a business day, such payment date shall be the next succeeding business day.

This Bond is issued to finance the construction of certain shore stabilization improvements (the "Project") for the Issuer within the MSBU (as defined in Resolution No. 2011-____ of the Issuer, adopted March 14, 2011 (the "Bond Resolution")), under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Section 125.01, et seq., Florida Statutes, as amended, and other applicable provisions of law, and Ordinance No. 94-1 of the Issuer, as amended and supplemented (the "Assessment Ordinance"), and other applicable provisions of law, and is entitled to all the rights and benefits thereof and of the Bond Resolution.

This Bond is issued in connection with the Assessment Ordinance and the Bond Resolution, and pursuant to the Assessment Ordinance and the Bond Resolution, this Bond shall be conclusively deemed to have been issued for such purposes, and the Project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of the Assessment Ordinance.

The Bonds are subject to mandatory redemption prior to maturity as provided in the Bond Resolution. The Bonds are not subject to optional redemption prior to maturity.

The principal of and interest on this Bond are payable solely from and secured by a lien upon and a pledge of the Pledged Revenues (as such term is defined in the Bond Resolution) and, until applied in accordance with the provisions of the Bond Resolution, the proceeds of this Bond and all moneys, including investments thereof, in certain funds established under the Bond Resolution, all in the manner and to the extent described in the Bond Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of neither the Issuer, the State of Florida, nor any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond and that the Registered Holder shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal and interest nor does any such entity have a legal or moral obligation to make such payments except from Pledged Funds in accordance with the terms of the Bond Resolution. This Bond and the obligation evidenced hereby shall not constitute a lien upon the Project or any other property of the Issuer or situated within its territorial limits, except the Pledged Funds, and shall be payable solely from the Pledged Funds in accordance with the terms of the Bond Resolution.

Neither the members of the Board of County Commissioners of the Issuer 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.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida, but may be transferred only in accordance with the terms of the Bond Resolution upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder in person or by such Holder's 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 Holder or such Holder's attorney duly authorized in writing, and thereupon a new Bond shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the Bond Resolution. The Issuer, the Registrar and the 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.

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 connection with the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of this Bond does not violate any constitutional or statutory limitations or provisions.

IN WITNESS WHEREOF, Nassau County, Florida, has issued this Bond and has caused the same to be executed by the Chairman, and attested and countersigned by the Clerk, of the Board of County Commissioners and its official seal to be impressed hereon, all as of the 15th day of March, 2011.

NASSAU COUNTY, FLORIDA

(SEAL)

By: 
Chairman of the Board of County Commissioners

ATTESTED AND COUNTERSIGNED:


Clerk of the Board of County Commissioners

EOX
3/14/11

SCHEDULE OF PARTIAL REDEMPTIONS

<u>Date</u>	<u>Redemption Amount</u>	<u>County Acknowledgment</u>
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ARTICLE III REDEMPTION OF BONDS

SECTION 3.01 Redemption of Bonds. The Bonds shall be subject to redemption at such times in the manner and at such prices, as provided herein.

(A) The Bonds are subject to extraordinary mandatory redemption by the Issuer in whole or in part on any Payment Date prior to their scheduled maturity, and if in part in ascending order of principal installment, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date from moneys deposited in the Redemption Fund as provided in Section 4.04(B)(5) hereof.

(B) The Bonds are subject to mandatory redemption prior to maturity as described in Section 2.07(E) hereof, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

(C) The Bonds shall not be subject to optional redemption prior to maturity.

SECTION 3.02 Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$1,000 each and integral multiples thereof. The Issuer shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar and Paying Agent) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

SECTION 3.03 Notice of Redemption. Notice of redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption shall be given by the Paying Agent on behalf of the Issuer, and shall be mailed first class, postage prepaid, at least five (5) days prior to the redemption date, to all owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Paying Agent. Failure to mail notice to the owners of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Notwithstanding the foregoing, during any period that Compass Mortgage Corporation is a Bondholder, such notice of redemption shall only be effective with respect to Bonds then owned by Compass Mortgage Corporation upon actual receipt by Compass Mortgage Corporation of such notice without any defect therein.

SECTION 3.04 Redemption of Portions of Bonds. Any Bond which is to be redeemed only in part shall (i) be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar and Paying Agent duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar and Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered, or (ii) at the option of the Issuer, be presented by the Bondholder to

the Paying Agent and the partial redemption noted on the schedule attached thereto. Any partial redemption of a Bond shall adjust pro-rata the scheduled payments of principal on such Bond.

SECTION 3.05 Payment of Redeemed Bonds. Notice of redemption having been given substantially as aforesaid, the Bond or portion thereof to be redeemed shall, on the redemption date, become due and payable, and from and after such date (unless the Issuer shall default in the payment) the Bond or such portion thereof shall cease to bear interest.

SECTION 3.06 Due Consideration of Compass Bank as Authorized Depository. The Issuer shall, annually during any period that Compass Mortgage Corporation is a Bondholder, give due consideration to Compass Bank to serve as Authorized Depository hereunder, provided, however, that the obligation of the Issuer under this section shall only arise if Compass Bank shall comply with any applicable bid or application processes reasonably imposed by Issuer for such consideration and shall offer the Issuer competitive rates and terms for such service.

SECTION 3.07 Assessments Coverage Ratio. The Issuer hereby covenants and agrees that Special Assessments shall provide a minimum aggregate coverage ratio (covering debt service on the Bonds) of not less than 1:1 tested annually, at the end of the Issuer's Fiscal Year.

ARTICLE IV SECURITY

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

SECTION 4.02 Security for Bonds. The payment of the principal of and interest on the Bonds shall be secured forthwith by a pledge of and lien upon the Pledged Funds. The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds in the manner provided in this Resolution.

SECTION 4.03 Funds. The Issuer covenants and agrees to establish with an Authorized Depository the following separate funds: the Special Assessment Fund, the Sinking Fund, the Redemption Fund, the Project Fund and the Rebate Fund. Each such fund shall constitute a trust fund and withdrawals therefrom shall only be made for the purposes and in the manner set forth herein.

SECTION 4.04 Flow of Funds. (A) All proceeds of the Bonds, except that portion, necessary to pay costs associated with the issuance of the Bonds, shall be deposited in the Project Fund and, unless an Event of Default shall occur and be continuing, shall be withdrawn to pay the Approved Costs of the Project. Proceeds shall be drawn-down by means of execution of a draw request in the form attached hereto as Exhibit C. Bond proceeds shall not be used to pay or reimburse the Issuer for any Costs of the Project incurred prior to the date which is 60 days prior to the issuance of the Bonds without a written approving opinion of Bond Counsel.

All payments from the Project Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Project Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Clerk legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth herein. Before any such payment shall be made, there shall be filed with the Clerk a completed requisition in the form of Exhibit A hereto, signed by the project engineer, a copy of which shall also be provided to the Bondholder.

Upon receipt of each such requisition, the Clerk shall promptly withdraw from the Project Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition.

All requisitions and certificates received by the Clerk pursuant to this Section 4.04(A) shall be retained in the possession of the Issuer, subject at all reasonable times to the inspection of the Assessment Administrator, the Owners of any Bonds, and the agents and representatives thereof.

On the date of completion of the Project, the balance in the Project Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project shall, at the direction of the Assessment Administrator, be deposited as provided in Section 4.04(B)(5) hereof.

(B) All Pledged Revenues shall be paid into and disbursed from the following funds as set forth below:

(1) The Issuer shall deposit all Pledged Revenues into the Rebate Fund until all amounts required to be rebated to the United States Treasury are on deposit. The Issuer covenants to cause the Assessment Administrator to retain a rebate consultant to calculate the Rebate Account. Money in the Rebate Fund shall be withdrawn exclusively to pay to the United States Treasury amounts required by applicable laws and regulations.

(2) Next, the Issuer shall deposit all Pledged Revenues received into the Special Assessment Fund until the balance in the Special Assessment Fund is equal to the estimated Collection Costs for the following 12-month period. Money on deposit in this fund shall be withdrawn by the Issuer as needed to pay such costs as incurred.

(3) Next, the Issuer shall deposit all Pledged Revenues into the Sinking Fund until the amount on deposit in such fund is sufficient to satisfy the principal and interest payments on the Bonds coming due on the next succeeding Payment Date. Money on deposit in this Fund shall be withdrawn as and when needed solely for the purpose of paying such principal and interest.

(4) Next the Issuer shall deposit all Pledged Revenues into the Special Assessment Fund (to the extent such amount has not already been deposited therein) for administrative and monitoring costs related to the MSBU and the Project not to exceed \$90,000 annually.

(5) Any excess Pledged Revenues shall be deposited in the Redemption Fund. The Issuer, upon direction from the Assessment Administrator, shall notify the Paying Agent on each September 15 (or if such day is not a Business Day, on the next preceding Business Day) of the amount of Bonds to be redeemed from the Redemption Fund. The Paying Agent shall cause a notice of redemption to be given as provided for in Section 3.03 hereof with respect to such principal amount of Bonds, and shall redeem such Bonds on the next succeeding Payment Date.

All expenses incurred by the Paying Agent in connection with such redemption shall be paid from the Special Assessment Fund.

SECTION 4.05 Investments. The Special Assessment Fund, Redemption Fund, Rebate Fund, Project Fund and Sinking Fund shall be continuously secured in the manner in which the deposit of public funds are authorized to be secured by the laws of the State. There is hereby created a lien upon such funds, other than the Rebate Fund, and all moneys therein in favor of the Bondholders until the moneys deposited therein shall have been applied in accordance with this Resolution. Moneys on deposit to the credit of the Special Assessment Fund, Redemption Fund, Project Fund, Sinking Fund and Rebate Fund may be invested in Authorized Investments which shall mature not later than the date on which such moneys shall be needed to pay the amounts for which withdrawal is authorized. The securities so purchased as an investment of the moneys of any such fund shall be deemed at all times to be a part of such fund, and any loss resulting from such investment shall be charged to such fund and any interest accruing on such investment or any other profit realized therefrom shall be deposited in such fund.

SECTION 4.06 Separate Accounts. The moneys required to be accounted for in any of the funds created hereunder may be deposited in a single bank account, and the moneys allocated to such funds 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 purposes of such funds as herein provided.

The designation and establishment of any funds in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting but rather is intended to solely 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

SECTION 5.01 General. In addition to all of the other covenants of the Issuer contained in this Resolution, the Issuer hereby covenants with the Holders of the Bonds so long as the Bonds shall remain outstanding each and every one of the covenants contained in this Article V.

SECTION 5.02 Books and Records. The Issuer shall keep or cause to be kept books, records and accounts of the Pledged Funds and Cost of the Project and the Holder or Holders of Bonds or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all books, records and accounts of the Issuer relating thereto.

SECTION 5.03 Issuance of Additional Obligations. The Issuer covenants and agrees that while the Bonds shall be outstanding it will not issue any other obligations payable from or secured by the Pledged Funds or any part thereof, unless the lien on and pledge of all or part of the Pledged Funds in favor of such obligations shall be junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Bonds pursuant to subordination provisions approved in writing by the Holders.

SECTION 5.04 Federal Income Tax Covenants.

(A) The Issuer covenants with the Holders of the Bonds that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in the gross income of the Holders thereof for federal income tax purposes.

(B) 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 the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 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 the Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes.

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

SECTION 5.05 Modification of Legislation. The Issuer covenants not to modify the Assessment Ordinance in any way materially disadvantageous to the Holders of the Bonds or to take any action which would diminish Pledged Revenues or the Issuer's ability to enforce payment thereof, without the written consent of the Holders of the Bonds.

SECTION 5.06 MSBU. The MSBU shall not be modified or terminated until the Bonds are repaid in full.

SECTION 5.07 Further Assurances. The Issuer covenants to execute any and all documents and take any and all actions necessary for the Holders of the Bonds to fully enjoy their rights granted herein and in the Bonds.

SECTION 5.08 Completion of Project. The Issuer shall complete the acquisition and construction of the Project with all practical dispatch and in a sound and economical manner.

SECTION 5.09 Enforcement of Payment of Assessments. The Issuer will assess, levy, collect or cause to be collected and enforce the payment of Assessments, in the manner prescribed by this Resolution, and all resolutions, ordinances or laws thereunto appertaining at the times and in the amounts as shall be necessary in order to pay, when due, the debt service on the Bonds and to make all other payments required hereby, except that the Issuer shall not collect the Assessments from and after such time as the amounts on deposit in the Sinking Fund and Redemption Fund with respect to the Bonds is and remains equal to or greater than the principal payable thereon. The Issuer shall not change its method of collection of the Assessments without the prior written consent of the Holders of the Bonds.

SECTION 5.10 Re-Assessments. If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Assessment when it might have done so, the Issuer shall take all necessary steps to cause a new Assessment to be made for the whole or any part of said improvement or against any property benefitted by said improvement.

SECTION 5.11 Employment of Assessment Administrator. The Issuer will, at all times the Bonds remain outstanding hereunder, engage an Assessment Administrator of demonstrated ability to fulfill the obligations of the Assessment Administrator hereunder.

SECTION 5.12 Resignation of Paying Agent or Bond Registrar. Any Paying Agent or Bond Registrar may resign and be discharged of the duties created by this Resolution by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice, unless a successor Paying Agent or Bond Registrar is previously appointed in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Bond Registrar. If the successor Paying Agent or Bond Registrar shall not have been appointed within a period of sixty (60) days following the giving of notice, then the Issuer may appoint a successor Paying Agent or Bond Registrar in the same manner as provided in Section 5.03 hereof. Notice of the appointment of a successor Paying Agent or Bond Registrar shall be sent by the successor Paying Agent or Bond Registrar by first-class mail to each Owner as its name and address appears on the Bond Register prior to the date such appointment is to take effect.

SECTION 5.13 Removal of Paying Agent or Bond Registrar. Any Paying Agent or Bond Registrar may be removed with or without cause at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Bond Registrar to be removed an instrument or instruments in writing executed by an Authorized Issuer Officer appointing a successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 5.14 Appointment of Successor Paying Agent or Bond Registrar. In case at any time the Paying Agent or Bond Registrar shall be removed, or be dissolved or declared insolvent, or if a conservator, receiver or liquidator of the Paying Agent or the Bond Registrar shall be appointed, or if the property or affairs of the Paying Agent or the Bond Registrar shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Bond Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Bond Registrar shall resign, then a successor shall be appointed by the Issuer. Upon any such appointment, the successor Paying Agent or Bond Registrar shall give written notice of such appointment to the predecessor Paying Agent or Bond Registrar, and the successor Paying Agent or the Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

SECTION 5.15 Qualifications of Successor Paying Agent or Bond Registrar. Every successor Paying Agent or Bond Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States of America or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Resolution and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined capital, surplus and undivided profits of at least \$50,000,000.

SECTION 5.16 Acceptance of Duties by Successor Paying Agent or Bond Registrar. Any successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent or Bond Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named Paying Agent or Bond Registrar herein. Upon request of such Paying Agent or Bond Registrar, such predecessor Paying Agent or Bond Registrar and the Issuer shall execute an deliver and instrument transferring to such successor Paying Agent or Bond Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Bond Registrar and such predecessor Paying Agent or Bond Registrar shall pay over and deliver to the successor Paying Agent or Bond Registrar all moneys and other assets at the time held by it hereunder.

SECTION 5.17 Merger, Consolidation or Conversion of Paying Agent or Bond Registrar. Any corporation into which any Paying Agent or Bond Registrar hereunder may be

merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Paying Agent or Bond Registrar hereunder shall be a party, shall be the successor Paying Agent or Bond Registrar under this Resolution without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Resolution to the contrary notwithstanding.

**ARTICLE VI
DEFAULTS AND REMEDIES**

SECTION 6.01 Events of Default. The following events shall each constitute an "Event of Default" hereunder:

(A) Default shall be made in the payment of the principal of or interest on the Bonds when due or any other monetary payment required under this Resolution shall not be made when due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) 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 or under the Assessment Ordinance on the part of the Issuer to be performed, or there shall occur any breach of a representation or warranty of the Issuer given herein or in any instrument or certificate relating hereto.

(D) This Resolution, the Bonds, the Assessment Ordinance or the Assessment Resolution, or any other ordinances, resolutions, laws or regulations providing rights or security for the benefit of the Holders of the Bonds shall be determined to be invalid or unenforceable in any material respect.

SECTION 6.02 Remedies. Any Owner of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Owners may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Owner or Owners of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may, by a duly executed certificate in writing, appoint a trustee for Owners of Bonds issued pursuant to this Resolution with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners, and such certificate shall be executed by such Owners or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust

instrument under which the trustee shall have agreed to serve, shall be filed with the Issuer and the trustee, and notice of such appointment shall be given to all Owners of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

If any remedial action is discontinued or abandoned, the Owners shall be restored to their respective positions held prior to commencement of such remedial action.

SECTION 6.03 Directions to Trustee as to Remedial Proceedings. The Owners of a majority in principal amount of the Bonds then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Bonds; provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any direction which in the opinion of the trustee would be unjustly prejudicial to Owners of Bonds not parties to such direction.

SECTION 6.04 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. The Holders of the Bonds shall be entitled to reimbursement by the Issuer, solely from Pledged Funds, of all reasonable attorneys fees, costs and expenses incurred by such Holders or their trustee or receiver in connection with the enforcement of this Resolution and the Bonds.

SECTION 6.05 Waiver of Default. No delay or omission of the Bondholders 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 Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06 Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied within the specified cure period, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Revenues as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver and Registrar hereunder;

(B) To the payment of the amounts required for Collection Costs, as certified by the Assessment Administrator; and

(C) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds as follows:

(1) Unless the principal of all the Bonds shall become due and payable, all such moneys shall be applied:

FIRST: to the payment to the persons entitles thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

SECTION 7.01 Supplemental Resolution Without Owners' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Owners (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Article II hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the security for the Bonds.

Notwithstanding the foregoing, such Supplemental Resolution shall not become effective during the time that Compass Mortgage Corporation owns any Bond, without the consent of Compass Mortgage Corporation.

SECTION 7.02 Supplemental Resolution with Owners' Consent. Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Owner or Owners 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 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. No Supplemental Resolution may be approved or adopted 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 Funds, other than the lien and pledge created by this Resolution, which adversely affects any Owners, (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. Nothing contained in this Section 7.02, however, shall be construed as making necessary the approval by Owners of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof

If, at any time, the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to 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 Owners 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 and the Registrar for inspection by all Owners. The Issuer shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section 7.02 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 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Owners 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 Owner of any Bond, whether or not such Owner shall have consented thereto.

If the Owners 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 Owner 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 7.02, 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 Owners 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 (i) the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Owners 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, and (ii) all provisions regarding any amounts to be rebated to the United States government have been complied with, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent shall pay over or deliver to the Issuer all money or securities held by it pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

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, and (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 Federal Securities certified by an independent nationally recognized 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 bank 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. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Federal Securities, 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 Federal Securities and moneys for the deposited Federal Securities and moneys if the new Federal Securities and moneys are sufficient, based upon the certification of an independent certified public accountant, 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 cause the Registrar to mail a notice to the Owners of such Bonds that the deposit required by this Section 8.01 of moneys or Federal Securities 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.

SECTION 8.02 Sale of Bonds. The Bonds shall be sold as a single Bond in the principal amount of \$11,169,000 to Compass Mortgage Corporation, as the initial purchaser and Bondholder.

SECTION 8.03 General Authority. The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchaser to effectuate the sale of the Bonds.

SECTION 8.04 No Personal Liability. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Bonds, or any certificate, or other instrument to be executed in connection with the issuance of the Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 8.05 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer and the Holders of the Bonds any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Person or Persons who shall from time to time be the Holders of the Bonds.

SECTION 8.06 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be finally determined to be 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 resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict. It is the specific intent of this Resolution that any provision in any other resolution or action of the Issuer

limiting the rights of the Issuer to impose, collect or enforce Special Assessments are hereby modified to the extent necessary to permit the Issuer to comply with the requirements imposed by this Resolution. The Issuer covenants to take such additional actions, including the enactment of ordinances, as may be necessary to afford the Issuer authority to impose, collect and enforce Special Assessments sufficient to meet the Issuer's obligations hereunder and under the Bonds.

SECTION 8.08 Table of Contents and Headings not Part Hereof. The Table of Contents preceding the body of this Resolution and the headings preceding the several articles and sections hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction or effect.


SECTION 8.09 Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 14th day of March, 2011.

(OFFICIAL SEAL)


Chairman, Board of County Commissioners

ATTEST:


Clerk of the Board of County Commissioners

Approved as to form and correctness:

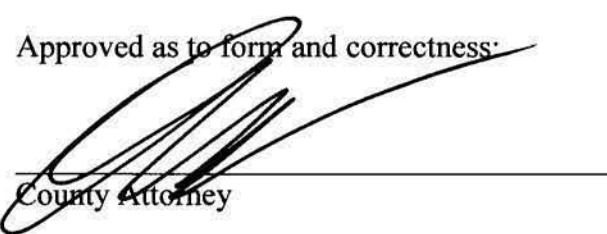

County Attorney

EXHIBIT A

FORM OF DISBURSEMENT REQUEST

Requisition Number _____

TO: Clerk of Circuit Court
ex officio Clerk of the Board of County Commissioners of
Nassau County, Florida

RE: Payment of the amount on the attached invoice in connection with the \$11,169,000 South
Amelia Island Shore Stabilization Special Assessment Bonds, Series 2011 of the County

You are hereby requested to pay the sum of \$ _____ to _____
for _____ per the attached invoice. Such amount is justly due and
owing as a proper expense in connection with the construction of the project financed by the
above-referenced Bonds and to be paid from amounts on deposit in the Project Fund established
under the County's resolution adopted on March 14, 2011. Such expense has not been the
subject of another requisition which has been paid.

Date

By: _____
Assessment Administrator

EXHIBIT B

PURCHASER'S DISCLOSURE STATEMENT

March 14, 2011

Board of County Commissioners of
Nassau County, Florida
Yulee, Florida

Re: Nassau County, Florida
South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2011

Commissioners:

In connection with the proposed issuance by Nassau County, Florida (the "Issuer") of its \$11,169,000 South Amelia Island Shore Stabilization Special Assessment Bonds, Series 2011 (the "Bonds"), Compass Mortgage Corporation (the "Purchaser") has committed to purchase the Bonds.

The purpose of this letter is to furnish pursuant to the provisions of Section 218.385(2), Florida Statutes, certain information in respect of the arrangements contemplated for the purchase of the Bonds as follows:

- (a) The Purchaser has not incurred any expenses in connection with the purchase of the Bonds, other than legal fees in the amount of \$6,500 to Bryant Miller Olive P.A., as lender's counsel.
- (b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Purchaser, for the purpose of influencing any transaction in the purchase of the Bonds.
- (c) The Bonds will be purchased at par; consequently, there is no underwriting spread.
- (d) No management fee will be paid.

(e) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Bonds to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes).

(f) No other dealer firms were associated for the purpose of underwriting the Bonds.

(g) The Issuer is proposing to issue \$11,169,000 of debt or obligation for the purposes described in the Issuer's Bond Resolution adopted March 14, 2011. This debt or obligation is expected to be repaid over a period of 8 years. At an approximate forecasted average interest rate of 3.27%, total interest paid over the life of the debt or obligation will be \$1,842,249.33. The foregoing is for information purposes only and does not supersede or amend the terms of the Bonds.

(h) The source of repayment or security for this proposal is receipts from special assessments levied by the Issuer on specially benefitted property within the Municipal Services Benefit Unit as described in the Bond Resolution. Because this debt is secured by the levy of special assessments which are only available to the Issuer to pay debt service on the Bonds, authorizing this debt or obligation will not result in a reduction of the moneys available to the County to finance the other services of the Issuer each year.

We understand that you do not require any further disclosure from the Purchaser pursuant to Section 218.385(2), Florida Statutes.

Very truly yours,

**COMPASS MORTGAGE
CORPORATION**

By: _____

EXHIBIT C

FORM OF DRAW REQUEST

Nassau County, Florida
South Amelia Island Shore Stabilization
Special Assessment Bond, Series 2011

[Date]

Compass Mortgage Corporation
Jacksonville, Florida

The undersigned, on behalf of Nassau County, Florida, does hereby make a draw request of \$ _____ of the above-referenced Bond pursuant to the terms of Resolution No. 2011- _____ of the Board of County Commissioners of Nassau County.

Previous Draw Amounts	\$ _____
Current Draw Request	\$ _____
Cumulative Amount Drawn	
After Current Draw Request	\$ _____

In witness whereof, I have set my hand this ___ day of _____, _____.

Clerk of Circuit Court, ex officio Clerk of
the Board of County Commissioners of
Nassau County, Florida