



EXTENSION/RESCHEDULE AGREEMENT

FOR BANK USE ONLY	
PREPARED BY Sharon W. Bowens	NET NUMBER 221-5319
APPROVED BY Melinda J. Lemen	BANK NUMBER 001
BORROWER Nassau County Board of County Commissioners	NUMBER/NOTE NUMBER 00100080951/00001
Present Due Date: <u>05</u> / <u>12</u> / <u>99</u> MM DD YY	Date of Last Payment: <u>05</u> / <u>12</u> / <u>99</u> MM DD YY

The undersigned, jointly and severally if more than one ("Borrower"), is/are indebted to Barnett Bank of **Jacksonville, N.A.** as evidenced by an instrument dated 5/12/97, as same may have been amended, extended or rescheduled from time to time (the "Loan"). Borrower requests that Bank change Borrower's Loan payments as indicated below. This Agreement is an extension/rescheduling only and not a novation. Except for the changes indicated below, the Loan, any agreement or security document executed in connection therewith (together with the Loan, the "Loan Documents"), and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. To the extent that any provision of this Agreement conflicts with any term or condition set forth in the Loan Documents, the provisions of this Agreement shall supersede and control. The validity, priority and enforceability of the Loan Documents shall not be impaired hereby. Borrower acknowledges, ratifies and affirms the outstanding balance of ~~\$92,521.40~~ **7mo** and agrees that there are no claims, setoffs or defenses or rights to claims, setoffs or defenses to payment of the Loan. Additionally, Bank is authorized to modify any automatic payment/debit schedule and/or amount if applicable, to conform to this Agreement. As consideration for this Agreement, Borrower has or will pay to Bank a \$50.00 processing fee. Borrower acknowledges a copy of this Agreement and agrees to all of its terms.

THE \$50.00 PROCESSING FEE IS A CHARGE AND WILL NOT REDUCE THE LOAN BALANCE. ANY INSURANCE POLICY, DEBT CANCELLATION AGREEMENT OR OTHER SERVICE CONTRACT FINANCED WITH THE LOAN, MAY NOT CONTINUE INTO, OR BE EFFECTIVE DURING, ANY PERIOD EXTENDED BEYOND THE ORIGINAL MATURITY DATE (SEE YOUR POLICY FOR COVERAGE). NORMAL FINANCE CHARGES (INTEREST) WILL CONTINUE TO ACCRUE IN ACCORDANCE WITH THE ORIGINAL TERMS AND CONDITIONS OF THE LOAN DOCUMENTS - THIS MAY AFFECT THE PAYOFF AMOUNT OF THE LOAN.

BORROWER SIGNATURE <i>[Signature]</i>	DATE <u>12-12-97</u>	BORROWER SIGNATURE	DATE
BORROWER SIGNATURE	DATE	BORROWER SIGNATURE	DATE

If an Extension, complete the following:

The 05 / 12, 1999 / 07 / 12, 1999 **, payment(s) is/are being deferred and the loan maturity date extended to 7/12/99.

Please ensure that the customer receive a bill for a 5/12, 6/12 and 7/12/99 payment. This request defers the loan for 2 months.

REASON FOR CHANGE
The customer did not fund the lease until July 9, 1997 instead of 5/12/97 which was the loan date and they need to be granted the opportunity to payoff the lease in 24 full months.

If a Reschedule, complete the following: **N/A**

1st Schedule Next payment due: MM / DD / YY Payment Amount: \$ # of Payments:	2nd Schedule (if applicable) Next payment due: MM / DD / YY Payment Amount: \$ # of Payments:
3rd Schedule (if applicable) Next payment due: MM / DD / YY Payment Amount: \$ # of Payments:	4th Schedule (if applicable) Next payment due: MM / DD / YY Payment Amount: \$ # of Payments:

MASTER GOVERNMENTAL EQUIPMENT LEASE FINANCING AGREEMENT

00100080274

THIS MASTER GOVERNMENTAL EQUIPMENT LEASE FINANCING AGREEMENT ("Lease Financing Agreement") is made and entered into by Lessor and Lessee as of the 12th day of May, 199 7, by and between:

LESSOR: BARNETT BANK, N.A.
P.O. BOX 40329
JACKSONVILLE, FLORIDA 32203-0329

and its successors and assigns

and

LESSEE: Nassau County
P.O. Box 456
Fernandina Beach, FL 32035

PRELIMINARY STATEMENT

Lessor and Lessee desire to lease finance the Equipment in accordance with the following terms and conditions.

ACCORDINGLY, for and in consideration of the covenants contained in this Lease Financing Agreement and other good and valuable consideration the parties agree as follows:

1. DEFINITIONS

For purposes of this Lease Financing Agreement, the following definitions shall apply:

- 1.1 "Acceptance Certificate" means an Acceptance Certificate in the form attached hereto as Exhibit A by which Lessee accepts the Equipment.
- 1.2 "Acceptance Date" means, as to each item of Equipment, the earlier of: (i) the date on which Lessee has accepted the Equipment by execution of an Acceptance Certificate; (ii) the date that is fifteen (15) days after the delivery of the item of Equipment; or (iii) the date on which Lessor funds an account for the purchase of Equipment for the benefit of Lessee.
- 1.3 "Determination of Taxability" means the circumstance of interest paid or payable on the Lease Financing Agreement becoming includable for federal income tax purposes in the gross income of Lessor. A Determination of Taxability will be deemed to have occurred upon receipt by the Lessor of an opinion of counsel that any interest on the Lease Financing Agreement has become includable in the gross income of Lessor for federal income tax purposes. The effective date of a Determination of Taxability will be on the date as of which the interest on the Lease Financing Agreement is deemed includable in the gross income of Lessor.
- 1.4 "Equipment" means the equipment described on each Schedule of Lease Financed Equipment and attachments thereto.
- 1.5 "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.
- 1.6 "Lessor" means Barnett Bank, N.A. and its successors and assigns.
- 1.7 "Maximum Rate" means the highest rate of interest allowed by applicable law in effect from time to time.
- 1.8 "Rent" means the rent and all other amounts payable during the term as set forth in each Schedule of Lease Financed Equipment and all other amounts payable hereunder.

1.9 "Schedule of Lease Financed Equipment" means the schedule(s) which, among other things, describes the Equipment, the Term, the Taxable Rate, the Rent, and other pertinent information, attached hereto as Exhibit B, or as executed from time to time by Lessor and Lessee.

1.10 "Taxable Rate" means the rate of interest defined on each Schedule of Lease Financed Equipment (per annum compounded monthly) as the Taxable Rate.

1.11 "Term" means the full term for each Schedule of Lease Financed Equipment.

2. LEASE

Lessor and Lessee agree to lease finance the Equipment listed on any Schedule of Lease Financed Equipment, all of which are incorporated in and made a part of this Lease Financing Agreement by this reference.

3. TERM

The Term for each Schedule of Lease Financed Equipment shall commence on the Acceptance Date and shall terminate, unless earlier terminated or extended, on the last day of the Term. The term of this Lease Financing Agreement begins on the date of execution and shall end on the date all payments due to Lessor hereunder have been made.

4. RENTAL PAYMENTS

4.1 Amount and Times of Payment.

(a) Rent. As payment for amounts advanced by Lessor for the Equipment, Lessee agrees to pay Lessor the Rent as specified in each Schedule of Lease Financed Equipment.

(b) Interest. A portion of each payment is interest. Each Schedule of Lease Financed Equipment sets forth the annual interest rate for that schedule. No person liable for the payment of the Rent shall be required to pay interest in an amount or at a rate greater than the Maximum Rate. If any interest or other charges in the nature of interest paid by any person liable for the payment of the Rent result in interest in excess of the Maximum Rate, then any excess is waived and any excess paid shall be automatically credited against and be in reduction of the Rent, and any portion of the excess which exceeds the Rent will be paid by Lessor to Lessee. However, if in any subsequent period the rate of interest charged is less than the Maximum Rate, then the interest charged in that subsequent period will increase to the Maximum Rate until all of the interest which would have been due is paid.

(c) Prepayment. Lessee may, at its option, prepay all, or any portion, of the Rent specified in each Schedule of Lease Financed Equipment upon thirty (30) days written notice to Lessor. Any partial prepayment shall be applied to interest and then to principal amounts in the inverse order of due dates.

4.2 Place of Payments. All payments required to be made to Lessor under this Lease Financing Agreement shall be made at Lessor's office.

4.3 Late Charges. If Lessee fails to pay any sum under this Lease Financing Agreement within ten (10) days after the due date then Lessee shall pay a late payment charge equal to five percent (5%) of the delinquent payment. If any payment is more than thirty (30) days past due, Lessee shall pay Lessor interest on the overdue payment of 1.5% per month.

4.4 Abatement of Payments. There will be no abatement or reduction of payments by Lessee for any reason. Lessee assumes the entire risk of loss and damage to the Equipment from any cause whatsoever, and any sum required to be paid to Lessor under this Lease Financing Agreement, shall be paid in all events unless the obligation to pay Rent is terminated as provided in this Lease Financing Agreement.

4.5 Application of Payments. Any payment received from Lessee may be applied by Lessor at any time against any obligation due and owing by Lessee under this Lease Financing Agreement or any Schedule of Lease Financed Equipment, in Lessor's sole discretion, notwithstanding any statement appearing on, or referred to in, any remittance from Lessee or any prior application of such payment.

4.6 Title. Title to the Equipment shall be vested in the Lessee unless the Lessee shall deliver the Equipment to Lessor upon an early termination. Any motor vehicles subject to registration with the Florida Department of Motor Vehicles shall be registered by Lessee in Lessee's name.

4.7 Obligation of Lessee. The Lessee shall not be obligated, required, or compelled to exercise its ad valorem taxing power or any other taxing power in any form on any real or personal property to pay any amounts under the Lease Financing Agreement.

Lessee reasonably believes that sufficient funds will be obtained and appropriated to make all payments during the Term or any other payments hereunder. Lessee hereby authorizes and directs the principal financial officer of the Lessee to do all things lawfully within its power to obtain and maintain funds from which payments may be made, including making provision for such payments to the extent necessary in each annual budget submitted for the purpose of obtaining funding and the Lessee shall use its bona fide best efforts to have the budget providing such sufficient funds approved by the appropriate governing body. However, Lessee may not, without the written consent of the Lessor, budget and appropriate funds for any year in an amount less than the amount necessary to make all Lease payments on all Equipment subject to this Lease Financing Agreement for such year.

4.8 Early Termination. If the appropriate governing body of the Lessee does not appropriate funds for any portion of the Term for any item or items of Equipment or if this Lease Financing Agreement is otherwise terminated before all payments are made hereunder, Lessee shall promptly notify Lessor within five (5) days of such non-appropriation or other termination and Lessor shall have a valid and enforceable lien against any funds which have been budgeted and appropriated for the payment of Rent during the fiscal year that such non-appropriation or termination occurs and may enforce such lien for all amounts of Rent which are unpaid. If any Rent remains unpaid, then Lessee, at its sole option, shall take further action as set forth in either (i) or (ii) below:

(i) Lessee shall promptly deliver to Lessor all title to and possession of Equipment in full operational and good working order, condition and appearance for Equipment of similar age, type and usage, and shall pay to Lessor all of Lessor's costs (including an inspection of the Equipment and storage costs) in accepting such Equipment. Lessee shall have no equity or interest as a result of any rent paid during the term prior to any early termination of this Lease Financing Agreement. However, in the event the Lessor sells or otherwise disposes of the Equipment due to a early termination, Lessor shall apply the net proceeds of such Lease Financing Agreement in the following manner:

(a) first, to reimburse Lessor for all costs associated with the taking, removing, holding, repairing, and selling of the Equipment;

(b) second, to reimburse Lessor for Lessee's remaining obligations under the Lease Financing Agreement, and

(c) third, any amounts remaining shall be remitted to Lessee.

(ii) If Lessee fails to return Equipment in compliance with the term of the preceding paragraph (i), Lessor shall be entitled to compensatory damages, which Lessee agrees to pay, in an amount equal to the balance of the Rent which remains unpaid under the Lease Financing Agreement.

It is expressly understood and mutually agreed that this Lease Financing Agreement is payable from the operational budget of Lessee initially comprised of sufficient amounts that have been allocated and appropriated for Rent or from other currently available and appropriated funds from various sources and is an obligation of appropriated funds of Lessee only during the fiscal year of the Lessee in which such funds were appropriated; this Lease Financing Agreement and the obligation to pay rent, are otherwise not a general obligation of Lessee, nor shall this Lease Financing Agreement nor any indebtedness of Lessee within the meaning of any constitutional, statutory or charter provision or anything arising hereunder constitute an encumbrance upon any property owned by Lessee. Moreover, the payments provided for in this Lease Financing Agreement do not otherwise directly or indirectly pledge Lessee's property, credit or general taxing power. If a early termination of this Lease Financing Agreement occurs, such termination shall not be a default under Section 11.1 of this Lease Financing Agreement and, upon full compliance with this Section, Lessee shall be relieved of and fully discharged from its obligations hereunder to make further Rent payments. If Lessee shall fail to return the Equipment, Lessor's remedies shall be limited to suit for compensatory damages, as provided above, in the amount of the unpaid Rent and any other remedies to which Lessee can lawfully agree to subject itself to upon entering this Lease Financing Agreement.

4.9 Rental Invoices for Convenience Only. Any rental invoices are for the convenience of Lessee and are not a condition of Lessee's payment.

5. RESPONSIBILITIES OF LESSEE

5.1 Care and Use. Lessee shall use the Equipment in a careful and proper manner, in compliance with all insurance policy conditions, with any and all applicable laws, ordinances, and regulations and with all instructions provided with or accompanying the Equipment, and at its sole cost and expense, service, repair and maintain the Equipment so as to keep the Equipment in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use. All such replacement parts, mechanisms and devices shall be manufacturer's required replacements or other approved replacements and shall be free and clear of all liens, encumbrances and rights of others, shall become the property of Lessee and shall become subject to the terms and conditions of this Lease Financing Agreement. At the request of Lessor, Lessee shall enter into or cause to be entered into, and maintained in full force and effect during the Term, manufacturer's or supplier's standard maintenance contracts satisfactory to Lessor covering the Equipment and shall comply with all its obligations thereunder, and Lessee shall furnish evidence to Lessor of such signed maintenance agreement.

5.2 Inspection. Lessor shall have the right upon reasonable prior notice to Lessee to enter into and upon the premises where the Equipment is located and inspect the Equipment and observe its use during normal business hours.

5.3 Taxes. Lessee agrees to pay when due all taxes relating to the Equipment and Lessee's obligations hereunder, including but not limited to, all filing or registration fees, gross receipts tax, sales and use tax, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession, rental, delivery, transportation or use of the Equipment under this Lease Financing Agreement, together with any interest and penalties, other than taxes on or measured by the net income of Lessor. Upon the expiration or earlier termination of this Lease Financing Agreement, Lessee shall pay to Lessor any taxes assessed but not yet due and payable.

5.4 Alterations. So long as Lessee is not in default hereunder, Lessee may at its sole cost and expense make any alterations, additions, modifications or attachments ("Improvement(s)") to the Equipment if the Improvements (1) are readily removable without causing damage to the Equipment, (2) do not reduce the value or general usefulness of the Equipment, and (3) are of a kind that customarily are furnished by lessees or purchasers of like equipment. Upon delivery of the Equipment to the Lessor, Lessor shall have the right, exercisable upon written notice given to Lessee to purchase such Improvements installed on the Equipment and owned by Lessee for a cash price equal to the fair market sales value thereof, and if Lessor does not purchase the Improvements, Lessee shall immediately remove the Improvements at its own expense without causing material damage to the Equipment.

Upon the prior approval of Lessor, Lessee may make Improvements which are not readily removable provided that (1) the value of the Equipment is not reduced and (2) such Improvements will not materially reduce the general usefulness of the Equipment.

Any Improvements which are not readily removable shall become the property of Lessor if the Equipment is delivered to Lessor under this Lease Financing Agreement.

5.5 Delivery and Installation Charges; Delivery Receipt. Lessee shall be responsible for all charges of delivery and installation of the Equipment to Lessee's location. Lessor may either: (a) prepay such charges and invoice Lessee and Lessee shall remit payment within ten (10) days; (b) forward invoices to Lessee as they are received and Lessee shall remit payment within the time required by the invoice; or (c) prepay such charges and add the full amount thereof to the Rent otherwise due and payable by Lessee. Upon receipt of the Equipment, Lessee shall furnish Lessor with a delivery receipt in a form satisfactory to Lessor.

5.6 Insurance. Lessee shall maintain at its sole cost and expense casualty insurance on all Equipment covering such risks and in such amounts, which shall not be less than the fair market value of the Equipment, with such deductibles as are customarily carried by entities similar to Lessee. All insurance for loss or damage to Equipment shall provide that losses shall be payable to Lessor. Lessee shall pay the premiums therefore and deliver to Lessor the policies of insurance or duplicates thereof or other evidence satisfactory to Lessor of such insurance coverage. Each insurer shall also agree by endorsement upon the policy or policies issued by it that: (a) it will give thirty (30) days' prior written notice to Lessor of cancellation, nonrenewal, or material modification of such policy and ten (10) days' prior written notice for nonpayment of premium; and (b) the coverage of Lessor shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Lessee of any warranties, declarations or conditions of such insurance policy or policies. The proceeds of such insurance, at the option of Lessor, shall be applied: (a) toward the replacement, restoration or repair of the Equipment, or (b) toward payment of the obligations of Lessee hereunder. Lessee hereby appoints Lessor as Lessee's attorney in fact to make claim for, receive payment of, and execute all documents, checks or drafts received in payment of loss or damage under any such insurance policy.

5.7 Risk of Loss. Lessee hereby assumes and shall bear the entire risk of loss, theft, destruction and damage to the Equipment from any and every cause or casualty whatsoever. No loss, theft, destruction or damage to the Equipment or any part thereof shall relieve Lessee from its obligations under this Lease Financing Agreement.

5.8 Performance by Lessor of Lessee's Responsibilities. Any performance required of Lessee or any payments required to be made by Lessee may be performed or paid by Lessor, and Lessor shall be immediately reimbursed for such payments and for any costs and expenses, legal or otherwise, associated with the payments or other performance by Lessor, and Lessee shall pay Lessor a service or handling charge equal to five percent (5%) of all such payments, costs, and expenses.

5.9 Payment of Fines. Lessee shall pay within ten (10) days of billing by Lessor any fines imposed in connection with the Equipment or the use thereof plus a service or handling fee of fifty dollars (\$50.00) per fine for any and all payments of fines made by Lessor, plus all legal fees and expenses of Lessor made necessary by the acts of Lessee or its agents which resulted in the fines.

5.10 Financial Statements. During the Term, Lessee shall furnish Lessor with audited annual financial statements of Lessee within 120 days after the end of Lessee's fiscal year and shall promptly provide such other information as Lessor shall reasonably request.

5.11 Reports. Lessee will provide Lessor (a) notice of tax or other lien which attaches to the Equipment within ten (10) days of Lessee's obtaining knowledge of the attachment and additional information with respect to the tax or other lien promptly upon request of Lessor; (b) notice of the Equipment's location, and, the location of all information, logs, documents and records regarding the Equipment and its use, maintenance or condition, immediately upon request; (c) notice of the relocation of the Equipment ten (10) days prior to any relocation; (d) notice of loss or damage to the Equipment (if the estimated repair costs would exceed 10% of the then fair market value) within ten (10) days of loss or damage; (e) notice of any accident involving the Equipment causing personal injury or property damage within ten (10) days of such accident; (f) copies of the insurance policies or other evidence of insurance required promptly upon request by Lessor; (g) copies of all information, logs, documents and records regarding or in respect to the Equipment and its use, maintenance and/or condition, within ten (10) days of such request; (h) a certificate of the authorized officer of Lessee stating that he has reviewed the activities of Lessee and that, to the best of his knowledge, there exists no default, Event of Default or event which with notice or lapse of time (or both) would become such a default under this Lease Financing Agreement; (i) copies of any manufacturer's warranties, promptly upon request; (j) evidence of Lessee's compliance with maintenance provisions of this Lease Financing Agreement upon request; (k) notice of any anticipated occurrence of a non-appropriation, if practical, thirty (30) days prior to such occurrence; (l) notice of an occurrence of a non-appropriation or termination of this Lease Financing Agreement within five (5) days of such occurrence; (m) proof of appropriation and availability of budgeted funds for the ensuing budgetary period in a form acceptable to Lessor within 45 days after the end of Lessee's fiscal year; and (n) any other documents or reports required by any addenda hereto or reasonably requested by Lessor.

6. EQUIPMENT

6.1 Title. Title to the Equipment shall be in the name of Lessee at all times.

6.2 Liens. Lessee shall not create or allow any encumbrance or claim on or with respect to the Equipment.

6.3 Purchase, Delivery, Prepayment, Indemnity, Inspection, Acceptance and Written Notice of Defects. Lessee shall inspect the Equipment immediately on delivery and execute and deliver an Acceptance Certificate if Lessee is satisfied with the Equipment.

Lessee may request Lessor to purchase certain items from a vendor selected by Lessee prior to the time when those items have been accepted by Lessee or prior to the time when those items have been reflected on a Schedule of Lease Financed Equipment which is accepted by Lessor (any item intended to be lease financed hereunder by Lessee but which for any reason does not become a part of the Equipment hereunder is called "Non-Lease Financed Equipment"). In consideration for Lessor's making payments for all or a portion of the purchase price of those items of Non-Lease Financed Equipment or Lessor becoming obligated to make such payments to a vendor or the party designated by Lessee for such items of such Non-Lease Financed Equipment, Lessee hereby agrees that if for any reason any item is not delivered or does not perform, or for any reason is not acceptable to Lessee or for any reason any item does not become a part of the Schedule of Lease Financed Equipment which is accepted by Lessor, Lessee shall notify Lessor immediately in writing and Lessee shall pay to Lessor, on demand, any amounts which Lessor has paid, or is obligated to pay to any vendor or other party with respect to that item of Non-Lease Financed Equipment, together with interest on any amounts paid theretofore by Lessor at the Maximum Rate. In addition, Lessee shall secure for Lessor an unconditional release of any obligations that Lessor may have to any vendor or other parties with respect to that item of Non-Lease Financed Equipment. Upon paying Lessor and obtaining such release, Lessee shall become subrogated to Lessor's claims, if any, against the vendor, manufacturer or

other supplier of the item of Non-Lease Financed Equipment, and Lessee shall become entitled to such item of Non-Lease Financed Equipment as is, where is, without warranty expressed or implied by Lessor with respect to any matter whatsoever. Lessee also agrees to indemnify and hold Lessor harmless in the event of any subsequent litigation in connection with the item of Non-Lease Financed Equipment and will, from legally available non-ad valorem funds, reimburse Lessor for all expenses, including but not limited to, attorneys' and paralegals' fees (whether or not in connection with trials or appeals), and court costs.

6.4 Personal Property. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to real property or any building thereon. Upon request of Lessor, Lessee shall obtain, as to any place where the Equipment is located, a waiver from the landlord and mortgagee thereof with respect to any rights they may have in and to the Equipment or the rights of levy or seizure thereon.

6.5 Substitution. The Lessee may substitute for an item of Equipment other equipment by filing with the Lessor a certificate of an officer of the Lessee stating that such substitute Equipment (a) has the same or a greater remaining useful life as the Equipment to be substituted (determined at the time of the substitution), (b) has a fair market value equal to or greater than the fair market value of the item of Equipment for which it is substituted (determined at the time of substitution), (c) is free and clear of all lien and encumbrances and (d) has been titled in the name of the Lessee and constitutes "Equipment" under this Lease Financing Agreement.

6.6 Lessor is a Lease Financing Source. Lessee acknowledges that Lessor is a third party lease financing source for the Equipment who functions as a lender to Lessee and Lessee agrees to consent to a motion made by Lessor to be dismissed from any lawsuit brought by a third party in any way relating to this Lease Financing Agreement. This covenant is not intended to be and is not an indemnity.

7. REPRESENTATIONS AND WARRANTIES OF LESSEE

(a) Lessee is a duly constituted public body of the state and is authorized by the Constitution and laws of the State to enter into this Lease Financing Agreement and to carry out its obligations hereunder.

(b) Each member of the governing body of the Lessee has been duly elected or appointed and continues to serve within the term of office established by law.

(c) Lessee has been duly authorized to execute, deliver, and perform its obligations under this Lease Financing Agreement and, in the execution and delivery of this Lease Financing Agreement has complied with all applicable laws and regulations, including without limitation open meeting, public procurement, and bidding laws and this Lease Financing Agreement, and each Schedule of Lease Financed Equipment, constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with its terms.

(d) This Lease Financing Agreement has been executed as required by laws and regulations governing Lessor and has been executed by persons authorized and qualified to execute the Lease Financing Agreement and similar documents.

(e) Lessee will do or cause to be done all things necessary to preserve and keep this Lease Financing Agreement in full force and effect, consistent with its lawful capacity and with the terms and conditions of this Lease Financing Agreement.

(f) Lessee is exempt from all personal property taxes, and is exempt from all State of Florida and local taxes with respect to the Lease Financing Agreement, the Equipment and the Rent.

(g) No litigation or other proceedings are pending or, to our knowledge, threatened, in or before any agency, court or tribunal, state or federal (i) restraining or enjoining or seeking to restrain or enjoin the execution or delivery of the Lease Financing Agreement and any other documents, agreements, or certificates executed by Lessee in connection therewith or to carry out the purpose thereof (the "Lease Documents"), (ii) contesting or affecting the validity of any provision of the Lease Documents or the Resolution, (iii) contesting or affecting the validity of any of the proceedings or the authority for the authorization, execution or delivery of the Lease Documents, (iv) contesting or affecting the existence of Lessee or the title of any of its officers to their respective offices or any powers of Lessee under the laws of the State of Florida, or (v) contesting or affecting the tax exempt status of the interest portion of Rent.

(h) The execution, delivery, receipt and due performance of the Lease Documents and the Resolution and Lessee's compliance with the provisions thereof will not conflict with or constitute on Lessee's part a breach or a default under any existing law, court or

administrative regulation, decree or order, or any agreement, indenture, lease or other instrument, decree or order or any agreement, indenture, lease or other instrument to which Lessee is subject or by which Lessee is or may be bound.

(i) The Resolution has not been amended or modified since its adoption and is currently in full force and effect.

(j) No fee will be paid to any person acting as an underwriter for the Lease Financing Agreement.

(k) This Lease Financing Agreement is a valid and enforceable obligation of Lessee and funds have been budgeted and appropriated by the appropriate governing body for the payments hereunder during Lessee's current fiscal year.

(l) "INTENTIONALLY LEFT BLANK"

(m) No covenant, stipulation or agreement herein contained or contained in the Lease Financing Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of Lessee in his individual capacity, and neither the members of the Lessee nor any official executing the Lease Financing Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

(n) The average net interest cost rate for the Lease Financing Agreement does not exceed the rate computed by adding 150 basis points to The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month on which the leasehold interest was sold. Lessee certifies that the interest rate establishing the interest portion of the Rent, on the first date such interest begins to accrue, does not exceed the rate of interest permitted by Section 215.84 of the Florida Statutes.

8. TAX MATTERS

Lessee will take all necessary action to maintain the exclusion from federal income tax of Lessor of the interest portion of the Rent and will take all other actions necessary to maintain the favorable tax attributes of the Lease Financing Agreement to Lessor. Lessee shall immediately notify Lessor in writing upon the occurrence of any event which may jeopardize the favorable tax attributes of the Lease Financing Agreement to Lessor. Lessee shall be solely responsible for compliance with all applicable arbitrage and rebate requirements under the Internal Revenue Code. Lessee agrees to hire competent accountants or counsel to assist it in such calculation and reporting.

9. INDEMNIFICATION

9.1 **GENERALLY.** TO THE FULL EXTENT PERMITTED BY LAW BUT ONLY FROM LEGALLY AVAILABLE NON-AD VALOREM FUNDS, LESSEE HEREBY AGREES TO INDEMNIFY, PROTECT AND SAVE LESSOR (WHICH BY DEFINITION INCLUDES LESSOR'S SUCCESSORS AND ASSIGNS) HARMLESS FROM ANY AND ALL LIABILITIES, LIENS, OBLIGATIONS, LOSSES, CLAIMS, DAMAGES, ACTIONS, SUITS, PROCEEDINGS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' AND PARALEGALS' FEES AND COSTS, WHETHER INCURRED IN ANTICIPATION OF TRIAL, AT TRIAL OR ON APPEAL, IMPOSED OR INCURRED BY OR ASSERTED AGAINST LESSOR, ARISING OUT OF, CONNECTED WITH, OR RESULTING DIRECTLY OR INDIRECTLY FROM THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, THE MANUFACTURE, PURCHASE, LEASE, POSSESSION, OPERATION, CONDITION (INCLUDING ALL DEFECTS WHETHER OR NOT DISCOVERABLE BY EITHER PARTY HERETO), DELIVERY, SELECTION, USE, OR RETURN OF THE EQUIPMENT, OR BY OPERATION OF LAW. LESSEE SHALL GIVE LESSOR PROMPT WRITTEN NOTICE OF ANY MATTER HEREBY INDEMNIFIED AGAINST AND AGREES THAT UPON NOTICE BY LESSOR OF THE ASSERTION OF SUCH A CLAIM, ACTION, DAMAGE, OBLIGATION, LIABILITY OR LIEN, LESSEE SHALL ASSUME FULL RESPONSIBILITY FOR THE DEFENSE THEREOF. LESSOR, ITS DIRECTORS, OFFICERS, AND EMPLOYEES, AT THEIR ELECTION, MAY APPEAR AND DEFEND ANY SUCH SUIT, ACTION, OR PROCEEDING AND LESSEE SHALL PAY ALL COSTS OF DEFENSE, INCLUDING REASONABLE ATTORNEYS' AND PARALEGALS' FEES, INCURRED BY LESSOR, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.

9.2 **DURATION.** ALL OF THE RIGHTS AND PRIVILEGES OF LESSOR AND ITS DIRECTORS, OFFICERS AND EMPLOYEES ARISING FROM THE INDEMNITIES CONTAINED IN THIS LEASE FINANCING AGREEMENT SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE FINANCING AGREEMENT, AND SUCH INDEMNITIES ARE EXPRESSLY MADE FOR THE BENEFIT OF, AND SHALL BE ENFORCEABLE BY LESSOR (WHICH BY DEFINITION INCLUDES LESSOR'S SUCCESSORS AND ASSIGNS) AND ITS DIRECTORS,

OFFICERS, AND EMPLOYEES. ALL OF LESSOR'S RIGHTS, PRIVILEGES AND INDEMNITIES CONTAINED IN THIS SECTION SHALL SURVIVE THE EXPIRATION OR OTHER TERMINATION OF THIS LEASE FINANCING AGREEMENT AND THE RIGHTS, PRIVILEGES AND INDEMNITIES CONTAINED HEREIN ARE EXPRESSLY MADE FOR THE BENEFIT OF, AND SHALL BE ENFORCEABLE BY LESSOR, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.

9.3 NO WAIVER OF SOVEREIGN IMMUNITY. NO PROVISION OF THIS LEASE FINANCING AGREEMENT IS INTENDED TO BE OR SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY.

10. DISCLAIMER OF WARRANTIES

10.1 No Representations by Lessor. Lessee acknowledges and agrees that it has selected each item, type, quality, quantity and supplier of Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor, and agrees that the Equipment is of a design, size, quality and capacity required by Lessee and is suitable for its purpose.

10.2 LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT, AND, AS TO LESSOR, LESSEE ACKNOWLEDGES THAT LESSOR IS ONLY A SOURCE OF FINANCING THE EQUIPMENT AND LESSEE LEASE FINANCES THE EQUIPMENT "AS IS."

11. DEFAULT AND REMEDIES

11.1 Definition of Default. Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default:

- (a) Lessee shall fail to pay Rent or any other sum due hereunder when due;
- (b) Lessee shall fail to perform or observe any term, condition or covenant of this Lease Financing Agreement or any Schedule of Lease Financed Equipment hereto or any other agreement now in existence or hereafter executed with Lessor, and such failure shall continue for thirty (30) days after written notice thereof by Lessor;
- (c) Proceedings under any bankruptcy, insolvency, reorganization or similar litigation shall be instituted by or against Lessee, or a custodian or similar officer shall be appointed for Lessee or any of its property;
- (d) Any warranty, representation or statement made by Lessee is found to be incorrect or misleading in any material respect on the date made; or
- (e) Lessee shall make an assignment for the benefit of creditors, shall cease doing business as a going concern, or become insolvent.

11.2 Remedies on Default. Upon the occurrence of any event of default, Lessor may exercise any remedy available under law, to which Lessee may lawfully subject itself to by entering into this Lease Financing Agreement, including but not limited to the following remedies as Lessor in its sole discretion shall elect:

- (a) Proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this Lease Financing Agreement or to recover for the breach thereof;
- (b) Accelerate and declare all amounts due under this Lease Financing Agreement or any Schedule of Lease Financed Equipment to be immediately due and payable.
- (c) Declare this Lease Financing Agreement terminated and require the Lessee to perform upon such termination as provided in Section 4.8 of this Lease Financing Agreement.

All remedies of Lessor are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

11.3 Further Remedies. A termination hereunder shall occur only upon notice by Lessor to Lessee and only with respect to such part or parts of the Equipment as Lessor specifically elects to terminate in such notice. Except as to those parts of the Equipment with respect to which there is a termination, this Lease Financing Agreement shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all its obligations under this Lease Financing Agreement. All remedies of Lessor are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

11.4 Lessor's Expenses. Lessee shall pay Lessor, from legally available non-ad valorem funds, all costs and expenses including reasonable attorneys' and paralegals' fees and court costs, incurred by or in exercising or determining any of Lessor's rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof.

11.5 Limitation on Rights and Remedies. Notwithstanding the foregoing, Lessor acknowledges that its remedies hereunder are expressly limited as provided herein hereof and that any covenant to make payments by Lessee is a covenant only to make such payments from legally available non-ad valorem funds.

12. ASSIGNMENT

12.1 Assignment by Lessee. Lessee shall not assign, all or any part of its interest in this Lease Financing Agreement or the Equipment.

12.2 Assignment by Lessor. Lessor may, at any time and from time to time, assign all or any part of its interest in this Lease Financing Agreement.

13. "THIS SECTION INTENTIONALLY LEFT BLANK"

14. MISCELLANEOUS

14.1 Waiver. No covenant or condition of this Lease Financing Agreement can be waived except by the written consent of Lessor. Any failure of Lessor to require strict performance by Lessee or any waiver by Lessor of any terms, covenants or agreements herein shall not be construed as a waiver of any other breach of the same or of any other term, covenant or agreement herein.

14.2 Force Majeure. Lessor shall not be liable for any failure or delay in delivering the Equipment, or in performing any provision hereof, due to fire or other casualty, labor difficulty, governmental restriction or any cause beyond Lessor's reasonable control.

14.3 Severability. In the event any portion of this Lease Financing Agreement shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Lease Financing Agreement shall continue in full force and effect.

14.4 Governing Law. This Lease Financing Agreement shall be construed and interpreted in accordance with the laws of the state of Florida.

14.5 Notice. All notices made or required to be given pursuant to this Lease Financing Agreement shall be in writing and shall be deemed duly served if and when mailed, certified or registered mail, postage prepaid, return receipt requested, to the other party at its address set forth above or as otherwise designated in writing.

14.6 Entire Agreement. This Lease Financing Agreement, together with the Schedules of Leased Equipment and the related certificates, agreements, and documents executed in connection with this Lease Financing Agreement, constitute the entire indivisible agreement between the parties and this Lease Financing Agreement shall not be modified, amended, altered or changed except by written agreement signed by the parties.

14.7 Binding Effect. Subject to the specific provisions of this Lease Financing Agreement, this Lease Financing Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

14.8 Time. Time is of the essence of this Lease Financing Agreement and each and all of its Schedules of Leased Equipment and provisions.

14.9 Jurisdiction; Venue. LESSEE AGREES TO SUBMIT TO THE PERSONAL JURISDICTION OF FLORIDA COURTS AND THAT THE VENUE OF ANY SUCH LITIGATION SHALL BE IN THE COUNTY IN FLORIDA WHERE LESSEE EXECUTED THIS LEASE FINANCING AGREEMENT.

14.10 Further Assurances. Whenever requested to do so by Lessor, Lessee will promptly execute and deliver or cause to be delivered all such other and further instruments, documents, or assurances, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully to vest in Lessor all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon Lessor by this Lease Financing Agreement.

14.11 Multiple Counterparts. This Lease Financing Agreement may be executed simultaneously in several or multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

14.12 Tax and NonArbitrage Certificate. Pursuant to Treasury Regulation Section 1.148-2(b), the person executing the Lease Financing Agreement on behalf of the Lessee, by his execution of the Lease Financing Agreement certifies that the following are reasonable expectations with regard to the Lease Financing Agreement:

(a) **No Arbitrage.** The Lessee will not, so long as any portion of the Lease Financing Agreement remains outstanding and unpaid, use any moneys in a manner which will cause the Lease Financing Agreement or any portion thereof to constitute an "arbitrage bond" under Section 148 of the Code.

(b) **Governmental Purposes.** The Lease Financing Agreement is being executed for a governmental purpose of Lessee.

(c) **Not a Replacement Issue.** The Lease Financing Agreement is not being executed to replace any proceeds of an earlier issue of governmental obligations that were not expended on the project for which such earlier issue was intended.

(d) **No Other Obligations.** No other Issuer obligations are being issued at substantially the same time and sold pursuant to a common plan of financing, which will be paid out of (or will have substantially the same claim to be paid out of) substantially the same source of funds.

(e) **Net Proceeds.** The proceeds from the execution of the Lease Financing Agreement will be applied to pay expenses incurred in connection with the execution of the Lease Financing Agreement and purchase the Equipment. It is expected that all of the proceeds from the execution of the Lease Financing Agreement and the earnings from the investment thereof will be expended within six months following the date of execution of the Lease Financing Agreement for the purposes expressed herein.

(f) **No Other Fund or Account.** No funds or accounts other than those mentioned in this Certificate are expected to be used for, or are expected to be available for, the payment of debt service on the Lease Financing Agreement.

(g) **Issuer May Certify Lease Financing Agreement.** Lessee has not been notified that it is disqualified from certifying its Lease Financing Agreement or other tax exempt obligations, nor has Lessee been notified that such disqualification is contemplated.

(h) **Expectations Are Reasonable.** To the best of Lessee's knowledge and belief, there are no other facts, estimates or circumstances that would materially change any of the Lessee's expectations as to future events described in this certificate, and said expectations are reasonable.

(i) **No Arbitrage.** Based upon the foregoing, the Lessee does not reasonably expect that the proceeds of the Lease Financing Agreement will be used in a manner which would cause the Lease Financing Agreement to be or become "arbitrage bonds" within the meaning of the Code and regulations.

(j) **Small Issuer Exception.** The Lessee covenants that it is a governmental unit with general taxing powers, that at least 95 percent of the net proceeds (as defined in the Internal Revenue Code of 1986, as amended (the "Code")) of the Lease Financing Agreement will be used for local governmental activities of the Lessee, and that the aggregate face amount of all tax-exempt obligations, other than private activity bonds (as defined in the Code), issued by or on behalf of the Lessee (and all subordinate entities thereof) during the calendar year in which the Lease Financing Agreement is first effective is not reasonably expected to exceed \$5,000,000. [Delete and initial if not applicable.' not recognized]

(k) Covenant Regarding Rebate. The Lessee shall comply with the Code and the regulations promulgated thereunder as such shall be supplemented and amended from time to time for purposes of complying with all requirements for rebate of amounts to the United States.

(l) No Hedge Bond. The Lease Financing Agreement does not create a "hedge bond" as defined in Section 149(g) of the Code, in that at least 85 percent of the proceeds of the Lease Financing Agreement will be expended to carry out the governmental purpose of the issue within three years from the date of issuance of the Lease Financing Agreement, and not more than 50 percent of the proceeds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield of four years or more.

(m) No Sale of Equipment. The Equipment has not been and is not expected to be sold or otherwise disposed of in whole or in part prior to the expiration of the maximum Term.

(n) Not a Private Activity Bond. The Lessee expects that (a) less than 10% of the proceeds of the Lease Financing Agreement will be used for any private business use as defined in Section 141 of the Code, and (b) less than 5% of the proceeds of the Lease Financing Agreement will be used for any private business use which is not related to a governmental use of the proceeds, or which is a disproportionate related business use within the meaning of Section 141 of the Code. It is understood that such limitations will not apply unless more than 10% (with respect to clause (a)) or more than 5% (with respect to clause (b)) of the Lease Financing Agreement is directly or indirectly (including under the terms of the underlying arrangement) secured by any interest in (i) property used or to be used for a private business use, or (ii) payments in respect of such property, or are to be derived from payments (whether or not to the Lessee) in respect of property, or borrowed money, used or to be used for a private business use, as provided in Section 141 of the Code.

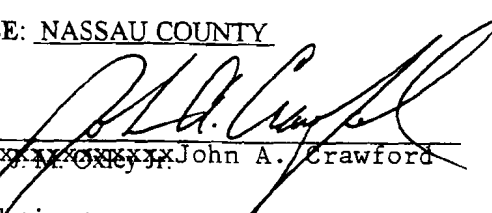
(o) Form 8038. The information in the copy of the Form 8038, 8038-G or 8038-GC delivered to the Lessor or to be filed by Lessee is true, correct and complete, and the Lessee shall file, or cause to be filed, such Form in the appropriate Internal Revenue Service Office or other appropriate Office.

14.13 Waiver of Jury Trial. Lessee and Lessor each knowingly, voluntarily, and intentionally waives any right it may have to a trial by jury, with respect to any litigation or legal proceedings based on, or arising out of the Resolution, this Lease Financing Agreement, or any other document, including any course of conduct, course of dealings, verbal or written statements, or actions or omissions of any party which in any way relates to the Lease Financing Agreement. The parties to this Agreement have specifically discussed and negotiated this waiver and understand the legal consequences of signing this Agreement. This waiver by Lessee is a material inducement for Lessor's execution of the Lease Financing Agreement and Lessor's waiver is a material inducement for Lessee's execution of the Lease Financing Agreement. At any party's request, any other party will join in asking the court in which suit is pending to try the case and decide all issues, including issues of fact, without a jury.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Financing Agreement to be executed as of the day and year first above written.

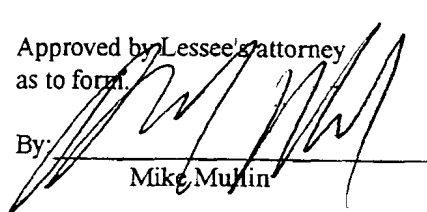
LESSEE: NASSAU COUNTY

LESSOR: BARNETT BANK, N.A.

By: 
~~John A. Crawford~~
Its: Chairman

By: _____
Its Authorized Representative

Approved by Lessee's attorney
as to form.

By: 
Mike Muhlin

Approved by Board of County Commissioners

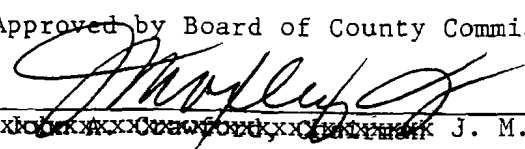
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~~John A. Crawford~~ J. M. Oxley, Jr., Its Ex-Officio Clerk

EXHIBIT A

ACCEPTANCE CERTIFICATE

In accordance with the terms of the Master Governmental Equipment Lease Financing Agreement, Number 00100080274, dated as of May 12, 1997, and the Schedule of Lease Financed Equipment, Number 001, dated as of May 12, 1997, by and between Barnett Bank, N.A. ("Lessor"), and Nassau County ("Lessee") or other agreements between Lessor and Lessee, Lessee hereby certifies, represents and agrees that: (a) the Equipment referred to in the attached invoice has been delivered at the location specified in the Lease Financing Agreement or other agreement; (b) we have conducted such inspection and testing of the Equipment as we deem necessary and appropriate and we acknowledge that the Equipment is in good condition, and is performing satisfactorily, and that we accept the Equipment for all purposes; (c) the Equipment is placed in service by Lessee on the date of this Acceptance Certificate; (d) Lessee, and its representatives, have received: (i) all operating manuals and instructions regarding the Equipment and (ii) instruction as to the proper use of the Equipment; and (e) Lessor is authorized to disburse the sum of \$ 110,000.00 to the following in payment for the Equipment:

VENDOR NAME AND ADDRESS:

Southern Coach, Inc.
1985 North West 57th Street
Ocala, FL 34475
Floyd Arnholt
352-351-1180

Purchase Order	Quantity	Description	Unit Price	Total Price
	1.00	Model PTM1000 Pumper Fire Truck 1,250 GPM 10,000 Gallon	110,000.00	110,000.00

Total Price = 110000

EQUIPMENT LOCATION:

Station #1
Street: Lime Street
City: Fernandina Beach
County: Nassau
State: FL
Zip: 32034

The above referenced Equipment is accepted this 12th day of May, 1997.

LESSEE: NASSAU COUNTY

By: John A. Crawford

Chairman, Nassau County

Title: Board of County Commissioners

EXHIBIT "B"

Schedule of Lease Financed Equipment
00100080274

This Schedule of Lease Financed Equipment is attached to and made a part of the Master Governmental Equipment Lease Financing Agreement Number 00100080274 between the undersigned Lessor and Lessee dated as of May 12, 1997 (the "Lease Financing Agreement"). Terms used herein shall have the meaning assigned to those terms in the Lease Financing Agreement.

LESSOR: BARNETT BANK, N.A.
P.O. BOX 40329
JACKSONVILLE, FLORIDA 32203-0329

and its successors and assigns

and

LESSEE: Nassau County
P.O. Box 456
Fernandina Beach, FL 32035

1. **EQUIPMENT LEASE FINANCED.** The Equipment lease financed upon the terms and conditions contained in the Lease Financing Agreement is as follows:

Quantity	Description	Serial Number
1.00	Model PTM1000 Pumper Fire Truck 1,250 GPM 10,000 Gallon	457JT9K00TC022160

2. **TERM.** The Term commences on the Acceptance Date and continues until all payments due hereunder have been made.

3. **RENT.** During the Term, with respect to each item of Equipment, Lessee shall make 24 consecutive monthly installments of Rent in arrears, each in an amount equal to \$ 4,874.28 commencing on the Acceptance Date and on the same day of each successive month. The monthly installments of Rent are subject to adjustment as provided herein.

4. **INTEREST RATE.** Each Interest Payment made by Lessee is determined by applying an annual rate of interest as hereinafter provided (the "Interest Rate") to the outstanding balance of all original principal payments due hereunder less any initial payments and the aggregate principal portions of prior payments.

The Interest Rate shall initially be 5.98 % per annum and such Interest Rate (and related payments) shall be adjusted as set forth below.

If the interest on the Lease Financing Agreement becomes includable in the gross income of Lessor for Federal income tax purposes as a result of a Determination of Taxability, the interest rate on the Lease Financing Agreement prior to the effective date of the Determination of Taxability shall be equal to the initial Interest Rate set forth above; and thereafter, for as long as interest on the Lease Financing Agreement is includable in the gross income of Lessor, the interest rate on the Lease Financing Agreement shall be the Taxable Rate which is 8.00 %. If the effective date of the Determination of Taxability has passed at the time a Determination of Taxability is determined to have occurred, then the Lease Financing Agreement shall bear interest at the Taxable Rate retroactive to the effective date of the Determination of Taxability. In the event of a Determination of Taxability, Lessee covenants that it shall also pay any penalties resulting from the interest on the Lease Financing Agreement being includable in Lessor's gross income for Federal income tax purposes. Lessee's obligation to pay any such increased interest and penalties shall survive the termination of the Lease Financing Agreement.

The rate of interest on the Lease Financing Agreement shall be further adjusted as follows:

(i) 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 Lease Financing Agreement during any period is reduced because of any change in the Internal Revenue Code or regulations, then the Interest Rate on the Lease Financing Agreement shall 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 Lessor or its affiliates (expressed as a decimal); and
- (d) D equals the Interest Rate on the Lease Financing Agreement (expressed as a percentage).

(ii) **INTENTIONALLY LEFT BLANK**

(iii) Other Change in Tax Laws. If the Internal Revenue Code is amended to cause the interest on the Lease Financing Agreement to be includable in the gross income of Lessor for federal tax purposes, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after tax yield on the Lease Financing Agreement to Lessor (directly or indirectly, other than a change described in (i) through (ii) above or because of a Determination of Taxability), then the Interest Rate on the Lease Financing Agreement shall be adjusted to cause the interest received by Lessor, after payment of any increase in tax, to equal the interest Lessor would have received in the absence of such change or amendment in the tax laws or regulations.

The above adjustments shall be cumulative, but in no event shall the increased Interest Rate on the Lease Financing Agreement, as a result of these adjustments, exceed the lesser of the Taxable Rate or the maximum rate permitted by law. The above adjustments to the interest rate on the Lease Financing Agreement shall be effective on the effective date of the applicable change in circumstances or in the tax laws or regulations or in the case of a Determination of Taxability, during the period interest on the Lease Financing Agreement is includable in the gross income of the holder thereof. Interest on the Lease Financing Agreement and all other tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if the change is effective after the first day of Lessor's tax year or if interest on the Lease Financing Agreement does not accrue for the entire tax year of Lessor. Adjustments which create a circular calculation because the Interest Rate on the Lease Financing Agreement is affected by the calculation shall be carried out sequentially, increasing the Interest Rate on the Lease Financing Agreement accordingly in each successive calculation using as the new value the increase in the Interest Rate on the Lease Financing Agreement, until the change on the Interest Rate on the Lease Financing Agreement caused by the next successive calculation of the adjustment is de minimis. If more than one of paragraphs (i) through (iii) apply, then the Interest Rate on the Lease Financing Agreement shall be adjusted in the order in which listed above.

To the extent an adjustment to the Interest Rate on the Lease Financing Agreement is not made 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 Lease Financing Agreement. 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 Holder of record during the period to which the adjustment relates. This obligation shall survive the termination of the Lease Financing Agreement.

LESSEE: NASSAU COUNTY

LESSOR: BARNETT BANK, N.A.

By: John A. Crawford

By: _____

(Name)

Its: Chairman, Nassau County

Its Authorized Representative

(Title)

Board of County Commissioners

CERTIFICATION

I, J. M. "Chip" Oxley, Jr., Ex-Officio Clerk, Board of County Commissioners of Nassau County, Florida, do hereby certify that the attached is a true and correct copy of Resolution No. 97-135 adopted by the Board of County Commissioners of Nassau County, Florida, on May 12, 1997, authorizing the execution of the Master Governmental Equipment Lease Financing Agreement with Barnett Bank N.A. and related certificates and documents; and providing an effective date.

IN WITNESS WHEREOF, I hereunto set my hand and affix the seal of the County of Nassau, Florida, this 20th day of May, 1997.

BY: 

NAME: J. M. Oxley, Jr.

TITLE: Ex-Officio Clerk



NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P.O. Box 1010
Fernandina Beach, Florida 32035-1010

Nick Deonas
John A. Crawford
Pete Cooper
Chris Kirkland
Marianne Marshall

Dist. No. 1 Fernandina Beach
Dist. No. 2 Fernandina Beach
Dist. No. 3 Yulee
Dist. No. 4 Hilliard
Dist. No. 5 Callahan

JOSEPH M. "Chip" OXLEY, JR.
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

WALTER D. GOSSETT
County Coordinator

May 19, 1997

Ms. Brenda L. Chamberlain
Leasing Services
Barnett Business Finance Corporation
Equipment Finance Division
112 West Adams Street, 3rd Floor
Jacksonville, FL 32202-3626

RE: Lease For Fire Truck

Dear Ms. Chamberlain:

Enclosed please find both copies of the executed documents regarding the above referenced lease.

Also enclosed are the Opinion Letter executed by the County Attorney and a certified copy of Resolution No. 97-135, which authorizes the execution of the Master Governmental Equipment Lease Financing Agreement and related documents, adopted by the Board of County Commissioners in Regular Session of May 12, 1997.

If my office can provide you any additional assistance, please do not hesitate to contact me.

Sincerely yours,

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

JMO:jb

Enclosure

(904) 225-2610 Board Room; 321-5703, 879-1029, (800) 958-3496

An Affirmative Action / Equal Opportunity Employer

RESOLUTION NO. _____

A RESOLUTION OF NASSAU COUNTY AUTHORIZING THE EXECUTION OF THE MASTER GOVERNMENTAL EQUIPMENT LEASE FINANCING AGREEMENT WITH BARNETT BANK N.A. AND RELATED CERTIFICATES AND DOCUMENTS; FINDING THAT A NEGOTIATED LEASE IS IN THE BEST INTEREST OF LESSEE; CERTIFYING THE LEASE FINANCING AGREEMENT AS A QUALIFIED TAX EXEMPT OBLIGATION; PROVIDING FOR PAYMENT; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE COUNTY OF NASSAU, FLORIDA

Section 1. It is hereby ascertained, determined and declared as follows:

A. The County of Nassau, Florida (the "Lessee") is authorized by the laws of the State of Florida to make and execute leases, contracts and other instruments necessary or convenient for the purpose of facilitating the leasing of all equipment listed in the Schedule of Lease Financed Equipment (the "Equipment"), and all such future schedules, which is attached as Exhibit B to the Master Governmental Equipment Lease Financing Agreement (the "Lease Financing Agreement") dated as of _____, 1997, between Barnett Bank N.A. (the "Lessor") and the Lessee, attached hereto as Exhibit A, to the end that the Lessee may be able to purchase such Equipment at the lowest possible cost to the public by the execution of the Lease Financing Agreement.

B. The execution of the Lease Financing Agreement and the lease financing of the Equipment will serve a valid governmental purpose and is appropriate to the needs and circumstances of Lessee and the Equipment is necessary to the efficient administration and welfare of the residents of Lessee.

C. The Lessee's obligations under the Lease Financing Agreement shall not be or constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the Lessee, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. The Lessor shall never have the right (1) to require or compel, directly or indirectly, the exercise of any ad valorem taxing power to pay amounts due under the Lease Financing Agreement or (2) to require or compel the payment thereof from any funds of the Lessee except as specifically provided for in the Lease Financing Agreement.

D. The principal and interest described in the Lease Financing Agreement are payable from the Lessee pursuant to the Lessee's obligation to annually appropriate funds for such purpose as set forth in the Lease Financing Agreement.

Section 2. ['Delete and initial if this is a competitive bid and all bidding requirements have been met.' not recognized] The Lessee, having determined that a negotiated lease financing is appropriate due to the nature of the lease financing and market conditions, accepts the offer submitted by the Lessor and hereby awards the lease financing to the Lessor.

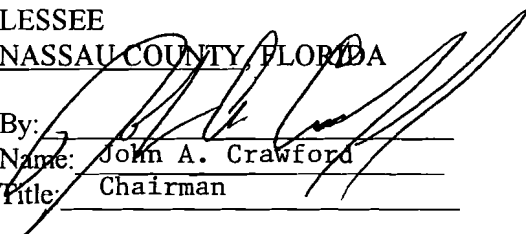
Section 3. The Lease Financing Agreement, in substantially the form attached hereto as Exhibit A and incorporated herein by reference, with such changes, alterations, completions and corrections as may be approved by _____ or _____ (collectively, the "Designated Agents") of Lessee, such approval to be presumed by execution thereof, is hereby approved. The Designated Agents are hereby authorized and directed to execute the Lease Financing Agreement. The Designated Agents are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, certificates or opinions on behalf of the Lessee which are necessary or desirable in connection with the execution and delivery of the Lease Financing Agreement and which are not inconsistent with the terms and provisions of this Resolution.

Section 4. ['Delete and initial if not applicable.' not recognized] The Lessee hereby certifies that Lessee does not reasonably expect to issue greater than \$10,000,000 of qualified tax-exempt obligations (including the principal amount of the Lease Financing Agreement) in the present calendar year. For purposes of qualifying this Lease Financing Agreement, for the exception contained in Section 265(b)(3) of the Internal Revenue Code, to the provisions contained in the Internal Revenue Code which deny financial institutions any deductions for interest expense allocable to tax-exempt obligations acquired after August 7, 1986, the Lessee hereby designates the Lease Financing Agreement to be a "qualified tax exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code.

Section 5. This resolution shall become effective upon signature by the

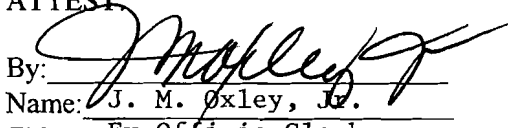
_____.

LESSEE
NASSAU COUNTY, FLORIDA

By: 
Name: John A. Crawford
Title: Chairman

(SEAL)

ATTEST:

By: 
Name: J. M. Oxley, Jr.
Title: Ex-Officio Clerk

Approved as to Form and Correctness:

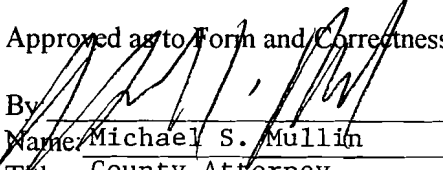
By: 
Name: Michael S. Mullin
Title: County Attorney

EXHIBIT "A"

{Attach Master Governmental Equipment Lease Financing Agreement}

CERTIFICATION

State of Florida
County of Nassau
City of Fernandina Beach

I, _____, County of Nassau, Florida, do hereby certify that the
attached is a true and correct copy of:

RESOLUTION NO. _____, ADOPTED BY THE Board of Co. Commissioners
ON May 12, 1997, AUTHORIZING THE
EXECUTION OF THE MASTER GOVERNMENTAL
EQUIPMENT LEASE FINANCING AGREEMENT
WITH BARNETT BANK N.A. AND RELATED
CERTIFICATES AND DOCUMENTS; AND
PROVIDING AN EFFECTIVE DATE.

IN WITNESS WHEREOF, I hereunto set
my hand and affix the Seal of the

this 20th day of May, 1997

By: _____
Name: _____
Title: _____

(SEAL)

NOTE: THIS OPINION IS FOR GOVERNMENTAL LEASES AND IS FOR SIGNATURE BY THE CITY ATTORNEY.

OPINION OF LESSEE'S COUNSEL

{Lessee Letterhead}

Barnett Bank, N.A.
P.O. Box 40329
Jacksonville, Florida 32203-0329

Re: Master Governmental Equipment Lease Agreement dated _____, between Nassau County and Barnett Bank, N.A.

Ladies and Gentlemen:

This opinion is being provided to you and your assigns in connection with the Master Governmental Equipment Lease (the "Lease") dated _____, between Nassau County (the "Lessee") and Barnett Bank, N.A., which relates to the Lease by Barnett Bank, N.A. of certain equipment more fully described in the Lease (the "Equipment"). We have reviewed the Lease and such other documents and certificates as we deemed necessary to enable us to render this opinion.

In connection with the Lease, we are of the opinion that:

1. The Lessee is an entity, validly existing and in good standing under the laws of the State of Florida with adequate power to enter into the Lease and is duly qualified to carry on its current business in those areas where it operates, including, without limitation, those areas where the equipment will be located.
2. The Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable against the Lessee in accordance with its terms.
3. No prior approval, consent or withholding or rejection is required from any governmental authority, body, or from any other person, group of persons or agency with respect to the entering into and the performance by Lessee of the Lease except as has already properly occurred.
4. The entering into and the performance of the Lease by Lessee will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of or constitute a default under any other agreement, covenant or restriction to which the Lessee is a party or by which it or its assets may be bound.
5. To my knowledge the Lessee is not in default under any contract, agreement or other instrument by which it is bound in the payment of any monetary obligation, or with respect to any judgment, order, injunction, regulation of any county or governmental authority, and there exists no condition or event which after notice or lapse of time constitutes any such default.
6. There are no pending suits which, if determined adversely, would have a material negative effect on the financial operation of the Lessee or in any way questioning or affecting the validity or enforceability of the Lease.
7. As provided by Section 201.24, Florida Statutes, the Lessee is exempt from payment of the Excise Tax on Documents.

8. The Lease and the payments thereunder are exempt from all state and local taxes and fees, including but not limited to, all filing or registration fees, gross receipts tax, sales and use tax, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession, rental, delivery, transportation or use of the Equipment other than taxes on or measured by the net income of Lessor.
9. The Resolution has been duly enacted and adopted by the Lessee and has not been amended, supplemented, or repealed and is in full force and effect and constitutes a valid and binding contract of the Lessee enforceable in accordance with its terms.
10. Any applicable public bidding requirements have been met with respect to the execution and delivery of the Lease.
11. I have no knowledge of any legislation adopted by the prior or current session of the Florida legislature that restricts or otherwise adversely affects the Lessee's power to execute the Lease or its ability to pay the lease payments due under the Lease.

LESSEE
NASSAU COUNTY

By: _____
Name: _____
Mike Mullin

Barnett

Barnett Business Finance Corporation
Equipment Finance Division
112 West Adams Street, 3rd Floor
Mail Code: 099-090-3000
Jacksonville, FL 32202-3626
Tel 904 791-5070
Fax 904 791-7377

May 2, 1997

Mr. J. M. Oxley Jr.
Nassau County
P.O. Box 456
Fernandina Beach, FL 32035

RE: **Tax-Exempt Lease for Fire Truck**

Dear Mr. J. M. Oxley Jr.:

In connection with the above referenced Lease of Equipment having a total cost of \$ 110,000.00, enclosed please find copies of the following documents requiring execution:

1. **Master Governmental Equipment Lease.** Please sign both copies.
2. **Exhibit "A" = Acceptance Certificate.** Please sign both copies and enter the date above your signature for the acceptance.
3. **Exhibit "B" = Schedule of Leased Equipment.** Please sign both copies.
4. **IRS Form 8038G.** Please sign and return to us for filing.
5. **Sample Opinion of Lessee's Counsel.** Please have the Board's attorney issue an opinion in the format provided, on official letterhead.
6. **Sample format of Resolution to be incorporated into your next board meeting.** Please provide us with a Certified copy of the minutes which addresses the designation of this transaction as a "Qualified Tax-Exempt Obligation" as defined under section 265 of the IRS Code.

Please return both copies of the signed documents to us along with you check in the amount of \$ 0.00. When the Lease is activated, a complete set of the executed documents will be sent to you for your files.

Please feel free to contact me if there are any questions at (904)791-7933.

Sincerely,



Brenda L. Chamberlain
Leasing Services

(Rev. May 1995)

Department of the Treasury
Internal Revenue Service

► Under Internal Revenue Code section 149(e)

► See separate instructions.

(Note: Use Form 8038-GC if the issue price is under \$100,000.)

OMB No. 1545-0720

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name Nassau County	2 Issuer's employer identification number 59 1863042
3 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 456	4 Report number G1997 -
5 City, town, or post office, state, and ZIP code Fernandina Beach, FL 32035	6 Date of issue 5/97
7 Name of issue Master Governmental Equipment Lease Financing Agreement	8 Issue number N/A

Part II Type of Issue (check applicable box(es) and enter the issue price)

9 <input type="checkbox"/> Education (attach schedule—see instructions)	9 \$
10 <input type="checkbox"/> Health and hospital (attach schedule—see instructions)	10
11 <input type="checkbox"/> Transportation	11
12 <input checked="" type="checkbox"/> Public safety	12 110,000.00
13 <input type="checkbox"/> Environment (including sewage bonds)	13
14 <input type="checkbox"/> Housing	14
15 <input type="checkbox"/> Utilities	15
16 <input type="checkbox"/> Other. Describe (see instructions) ►	16
17 If obligations are tax or other revenue anticipation bonds, check box ► <input type="checkbox"/>	
18 If obligations are in the form of a lease or installment sale, check box ► <input type="checkbox"/>	

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity.	1999	5.98%	110,000.00				
20 Entire issue			110,000.00	N/A	years	%	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

N/A

21 Proceeds used for accrued interest	21
22 Issue price of entire issue (enter amount from line 20, column (c))	22
23 Proceeds used for bond issuance costs (including underwriters' discount)	23
24 Proceeds used for credit enhancement	24
25 Proceeds allocated to reasonably required reserve or replacement fund	25
26 Proceeds used to currently refund prior issues	26
27 Proceeds used to advance refund prior issues	27
28 Total (add lines 23 through 27)	28
29 Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)	29

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

N/A

30 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
31 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
32 Enter the last date on which the refunded bonds will be called	
33 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous

34 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	34	N/A
35 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	N/A
b Enter the final maturity date of the guaranteed investment contract		
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	N/A
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer		
38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
39 If the issuer has identified a hedge, check box <input type="checkbox"/>		

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please
Sign
Here**Nassau County**

Signature of issuer's authorized representative

5-12-97

Date

John A. Crawford, Chairman

Type or print name and title



RESOLUTION NO. 97-135

A RESOLUTION OF THE NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS AUTHORIZING THE EXECUTION OF THE MASTER GOVERNMENTAL EQUIPMENT LEASE FINANCING AGREEMENT WITH BARNETT BANK N.A. AND RELATED CERTIFICATES AND DOCUMENTS; FINDING THAT A NEGOTIATED LEASE IS IN THE BEST INTEREST OF LESSEE; CERTIFYING THE LEASE FINANCING AGREEMENT AS A QUALIFIED TAX EXEMPT OBLIGATION; PROVIDING FOR PAYMENT; AND PROVIDING AND EFFECTIVE DATE.

Section 1. It is hereby ascertained, determined and declared as follows:

A. The County of Nassau, Florida (the "Lessee") is authorized by the laws of the State of Florida to make and execute leases, contracts and other instruments necessary or convenient for the purpose of facilitating the leasing of all equipment listed in the Schedule of Lease Financed Equipment (the "Equipment"), and all such future schedules, which is attached as Exhibit B to the Master Governmental Equipment Lease Financing Agreement (the "Lease Financing Agreement") dated as of May 12, 1997, between Barnett Bank N.A. (the "Lessor") and the Lessee, attached hereto as Exhibit "A" to the end that the Lessee may be able to purchase such equipment at the lowest possible cost to the public by the execution of the Lease Financing Agreement.

B. The execution of the Lease Financing Agreement and the lease financing of the Equipment will serve a valid governmental purpose and is appropriate to the needs and circumstances of Lessee and the Equipment is necessary to the efficient administration and welfare of the residents of Lessee.

C. The Lessee's obligations under the Lease Financing

Agreement shall not be or constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the Lessee, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. The Lessor shall never have the right (1) to require or compel, directly or indirectly, the exercise of any ad valorem taxing power to pay amounts due under the Lease Financing Agreement or (2) to require or compel the payment thereof from any funds of the Lessee except as specifically provided for in the Lease Financing Agreement.

D. The principal and interest described in the Lease Financing Agreement are payable from the Lessee pursuant to the Lessee's obligation to annually appropriate funds for such purpose as set forth in the Lease Financing Agreement.

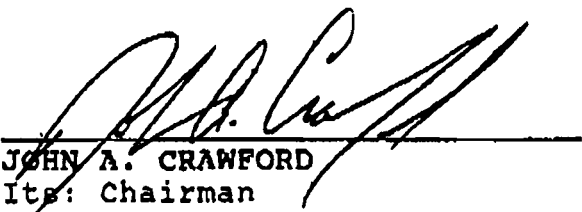
Section 2. The Lease Financing Agreement, in substantially the form attached hereto as Exhibit A and incorporated herein by reference, with such changes, alterations, completions and corrections as may be approved by the Nassau County Board of County Commissioners, such approval to be presumed by execution thereof, is hereby approved. The Chairman of the Board of County Commissioners is hereby authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, certificates or opinions on behalf of the Lessee which are necessary or desirable in connection with the execution and delivery of the Lease Financing Agreement and which are not inconsistent with the terms and provisions of

this Resolution.

Section 3. This resolution shall become effective upon its being adopted by the Board of County Commissioners of Nassau County, Florida.

ADOPTED this 12th day of May, 1997.

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



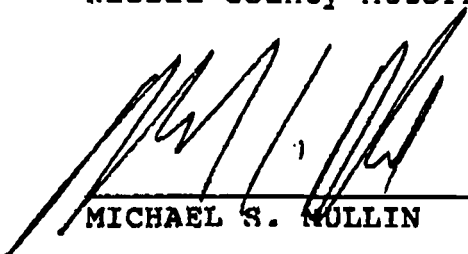
JOHN A. CRAWFORD
Its: Chairman

ATTEST:



J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:



MICHAEL S. MULLIN

Barnett

Barnett Business Finance Corporation
Equipment Finance Division
112 West Adams Street, 3rd Floor
Mail Code: 099-090-3000
Jacksonville, FL 32202-3626
Tel 904 791-5070
Fax 904 791-7377

May 2, 1997

Mr. J. M. Oxley Jr.
Nassau County
P.O. Box 456
Fernandina Beach, FL 32035

RE: **Tax-Exempt Lease for Fire Truck**

Dear Mr. J. M. Oxley Jr.:

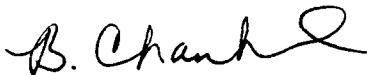
In connection with the above referenced Lease of Equipment having a total cost of \$ 110,000.00, enclosed please find copies of the following documents requiring execution:

1. **Master Governmental Equipment Lease.** Please sign both copies.
2. **Exhibit "A" = Acceptance Certificate.** Please sign both copies and enter the date above your signature for the acceptance.
3. **Exhibit "B" = Schedule of Leased Equipment.** Please sign both copies.
4. **IRS Form 8038G.** Please sign and return to us for filing.
5. **Sample Opinion of Lessee's Counsel.** Please have the Board's attorney issue an opinion in the format provided, on official letterhead.
6. **Sample format of Resolution to be incorporated into your next board meeting.** Please provide us with a Certified copy of the minutes which addresses the designation of this transaction as a "Qualified Tax-Exempt Obligation" as defined under section 265 of the IRS Code.

Please return both copies of the signed documents to us along with you check in the amount of \$ 0.00. When the Lease is activated, a complete set of the executed documents will be sent to you for your files.

Please feel free to contact me if there are any questions at (904)791-7933.

Sincerely,



Brenda L. Chamberlain
Leasing Services



NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P.O. Box 1010
Fernandina Beach, Florida 32035-1010

Nick Deonas
John A. Crawford
Pete Cooper
Chris Kirkland
Marianne Marshall

Dist. No. 1 Fernandina Beach
Dist. No. 2 Fernandina Beach
Dist. No. 3 Yulee
Dist. No. 4 Hilliard
Dist. No. 5 Callahan

JOSEPH M. "Chip" OXLEY, JR.
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

WALTER D. GOSSETT
County Coordinator

May 12, 1997

Barnett Bank, N.A.
Post Office Box 40329
Jacksonville, FL 32203-0329

RE: Master Governmental Equipment Lease Agreement dated May 12, 1997 between Nassau County and Barnett Bank, N.A.

Ladies and Gentlemen:

This opinion is being provided to you and your assigns in connection with the Master Governmental Equipment Lease (the "Lease") dated May 12, 1997, between Nassau County (the "Lessee") and Barnett Bank, N.A., which relates to the Lease by Barnett Bank, N.A., of certain equipment more fully described in the Lease (the "Equipment"). We have reviewed the Lease and such other documents and certificates as we deemed necessary to enable me to render this opinion.

In connection with the Lease, I am of the opinion that:

1. The Lessee is an entity, validly existing and in good standing under the laws of the State of Florida with adequate power to enter into the Lease and is duly qualified to carry on its current business in those areas where it operates, including, without limitation, those areas where the equipment will be located.
2. The Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable against the Lessee in accordance with its terms.
3. No prior approval, consent or withholding or rejection is required from any governmental authority, body, or from any other person, group of persons or agency with respect to the entering into and the performance by Lessee of the Lease except as has already properly occurred.

(904) 225-2610 Board Room; 321-5703, 879-1029, (800) 958-3496

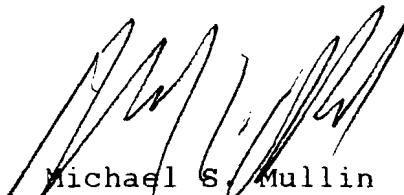
An Affirmative Action / Equal Opportunity Employer

4. The entering into and the performance of the Lease by Lessee will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of or constitute a default under any other agreement, covenant or restriction to which the Lessee is a party or by which it or its assets may be bound.
5. To my knowledge the Lessee is not in default under any contract, agreement or other instrument by which it is bound in the payment of any monetary obligation, or with respect to any judgment, order, injunction, regulation of any county or governmental authority, and there exists no condition or event which after notice or lapse of time constitutes any such default.
6. There are no pending suits which, if determined adversely, would have a material negative effect on the financial operation of the Lessee or in any way questioning or affecting the validity or enforceability of the Lease.
7. As provided by Section 201.24, Florida Statutes, the Lessee is exempt from payment of the Excise Tax on Documents.
8. The Lease and the payments thereunder are exempt from all state and local taxes and fees, including but not limited to, all filing or registration fees, gross receipts tax, sales and use tax, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession, rental, delivery, transportation or use of the Equipment other than taxes on or measured by the net income of Lessor.
9. The Resolution has been duly enacted and adopted by the Lessee and has not been amended, supplemented, or repealed and is in full force and effect and constitutes a valid and binding contract of the Lessee enforceable in accordance with its terms.
10. Any applicable public bidding requirements have been met with respect to the execution and delivery of the Lease.
11. I have no knowledge of any legislation adopted by the prior or current session of the Florida legislature that restricts or otherwise adversely affects the Lessee's

Barnett Bank, N.A.
May 12, 1997
Page Three

power to execute the lease or its ability to pay the
lease payments due under the Lease.

Sincerely yours,



Michael S. Mullin
County Attorney

MSM:jb

RESOLUTION NO. _____

A RESOLUTION OF NASSAU COUNTY
AUTHORIZING THE EXECUTION OF THE
MASTER GOVERNMENTAL EQUIPMENT LEASE
FINANCING AGREEMENT WITH BARNETT BANK
N.A. AND RELATED CERTIFICATES AND
DOCUMENTS; FINDING THAT A NEGOTIATED
LEASE IS IN THE BEST INTEREST OF LESSEE;
CERTIFYING THE LEASE FINANCING
AGREEMENT AS A QUALIFIED TAX EXEMPT
OBLIGATION; PROVIDING FOR PAYMENT; AND
PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE COUNTY OF NASSAU,
FLORIDA

Section 1. It is hereby ascertained, determined and declared as follows:

A. The County of Nassau, Florida (the "Lessee") is authorized by the laws of the State of Florida to make and execute leases, contracts and other instruments necessary or convenient for the purpose of facilitating the leasing of all equipment listed in the Schedule of Lease Financed Equipment (the "Equipment"), and all such future schedules, which is attached as Exhibit B to the Master Governmental Equipment Lease Financing Agreement (the "Lease Financing Agreement") dated as of _____, 1997, between Barnett Bank N.A. (the "Lessor") and the Lessee, attached hereto as Exhibit A, to the end that the Lessee may be able to purchase such Equipment at the lowest possible cost to the public by the execution of the Lease Financing Agreement.

B. The execution of the Lease Financing Agreement and the lease financing of the Equipment will serve a valid governmental purpose and is appropriate to the needs and circumstances of Lessee and the Equipment is necessary to the efficient administration and welfare of the residents of Lessee.

C. The Lessee's obligations under the Lease Financing Agreement shall not be or constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the Lessee, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. The Lessor shall never have the right (1) to require or compel, directly or indirectly, the exercise of any ad valorem taxing power to pay amounts due under the Lease Financing Agreement or (2) to require or compel the payment thereof from any funds of the Lessee except as specifically provided for in the Lease Financing Agreement.

D. The principal and interest described in the Lease Financing Agreement are payable from the Lessee pursuant to the Lessee's obligation to annually appropriate funds for such purpose as set forth in the Lease Financing Agreement.

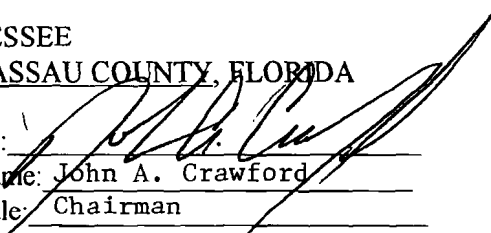
Section 2. [~~Delete and initial if this is a competitive bid and all bidding requirements have been met.~~ not recognized] The Lessee, having determined that a negotiated lease financing is appropriate due to the nature of the lease financing and market conditions, accepts the offer submitted by the Lessor and hereby awards the lease financing to the Lessor.

Section 3. The Lease Financing Agreement, in substantially the form attached hereto as Exhibit A and incorporated herein by reference, with such changes, alterations, completions and corrections as may be approved by _____ or _____ (collectively, the "Designated Agents") of Lessee, such approval to be presumed by execution thereof, is hereby approved. The Designated Agents are hereby authorized and directed to execute the Lease Financing Agreement. The Designated Agents are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, certificates or opinions on behalf of the Lessee which are necessary or desirable in connection with the execution and delivery of the Lease Financing Agreement and which are not inconsistent with the terms and provisions of this Resolution.

Section 4. [~~Delete and initial if not applicable.~~ not recognized] The Lessee hereby certifies that Lessee does not reasonably expect to issue greater than \$10,000,000 of qualified tax-exempt obligations (including the principal amount of the Lease Financing Agreement) in the present calendar year. For purposes of qualifying this Lease Financing Agreement, for the exception contained in Section 265(b)(3) of the Internal Revenue Code, to the provisions contained in the Internal Revenue Code which deny financial institutions any deductions for interest expense allocable to tax-exempt obligations acquired after August 7, 1986, the Lessee hereby designates the Lease Financing Agreement to be a "qualified tax exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code.

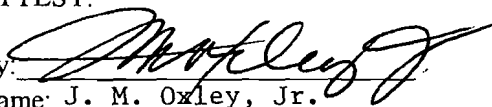
Section 5. This resolution shall become effective upon signature by the

LESSEE
NASSAU COUNTY, FLORIDA

By: 
Name: John A. Crawford
Title: Chairman

(SEAL)

ATTEST:

By: 
Name: J. M. Oxley, Jr.
Title: Ex-Officio Clerk

Approved as to Form and Correctness:

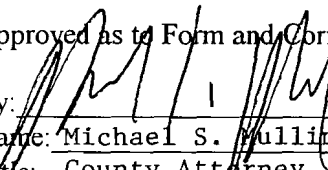
By: 
Name: Michael S. Mullin
Title: County Attorney

EXHIBIT "A"

{Attach Master Governmental Equipment Lease Financing Agreement}

CERTIFICATION

State of Florida
County of Nassau
City of Fernandina Beach

I, _____, County of Nassau, Florida, do hereby certify that the attached is a true and correct copy of:

RESOLUTION NO. ____, ADOPTED BY THE
ON _____, 1997, AUTHORIZING THE
EXECUTION OF THE MASTER GOVERNMENTAL
EQUIPMENT LEASE FINANCING AGREEMENT
WITH BARNETT BANK N.A. AND RELATED
CERTIFICATES AND DOCUMENTS; AND
PROVIDING AN EFFECTIVE DATE.

IN WITNESS WHEREOF, I hereunto set
my hand and affix the Seal of the

this ____ day of _____, 1997

By: _____
Name: _____
Title: _____

(SEAL)

NOTE: THIS OPINION IS FOR GOVERNMENTAL LEASES AND IS FOR SIGNATURE BY THE CITY ATTORNEY.

OPINION OF LESSEE'S COUNSEL

{Lessee Letterhead}

Barnett Bank, N.A.
P.O. Box 40329
Jacksonville, Florida 32203-0329

Re: Master Governmental Equipment Lease Agreement dated _____, between Nassau County and Barnett Bank, N.A.

Ladies and Gentlemen:

This opinion is being provided to you and your assigns in connection with the Master Governmental Equipment Lease (the "Lease") dated _____, between Nassau County (the "Lessee") and Barnett Bank, N.A., which relates to the Lease by Barnett Bank, N.A. of certain equipment more fully described in the Lease (the "Equipment"). We have reviewed the Lease and such other documents and certificates as we deemed necessary to enable us to render this opinion.

In connection with the Lease, we are of the opinion that:

1. The Lessee is an entity, validly existing and in good standing under the laws of the State of Florida with adequate power to enter into the Lease and is duly qualified to carry on its current business in those areas where it operates, including, without limitation, those areas where the equipment will be located.
2. The Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable against the Lessee in accordance with its terms.
3. No prior approval, consent or withholding or rejection is required from any governmental authority, body, or from any other person, group of persons or agency with respect to the entering into and the performance by Lessee of the Lease except as has already properly occurred.
4. The entering into and the performance of the Lease by Lessee will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of or constitute a default under any other agreement, covenant or restriction to which the Lessee is a party or by which it or its assets may be bound.
5. To my knowledge the Lessee is not in default under any contract, agreement or other instrument by which it is bound in the payment of any monetary obligation, or with respect to any judgment, order, injunction, regulation of any county or governmental authority, and there exists no condition or event which after notice or lapse of time constitutes any such default.
6. There are no pending suits which, if determined adversely, would have a material negative effect on the financial operation of the Lessee or in any way questioning or affecting the validity or enforceability of the Lease.
7. As provided by Section 201.24, Florida Statutes, the Lessee is exempt from payment of the Excise Tax on Documents.

8. The Lease and the payments thereunder are exempt from all state and local taxes and fees, including but not limited to, all filing or registration fees, gross receipts tax, sales and use tax, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession, rental, delivery, transportation or use of the Equipment other than taxes on or measured by the net income of Lessor.
9. The Resolution has been duly enacted and adopted by the Lessee and has not been amended, supplemented, or repealed and is in full force and effect and constitutes a valid and binding contract of the Lessee enforceable in accordance with its terms.
10. Any applicable public bidding requirements have been met with respect to the execution and delivery of the Lease.
11. I have no knowledge of any legislation adopted by the prior or current session of the Florida legislature that restricts or otherwise adversely affects the Lessee's power to execute the Lease or its ability to pay the lease payments due under the Lease.

LESSEE
NASSAU COUNTY

By: _____

Name: _____

Mike Mullin