

No. R-1

\$6,487,372.17

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
NASSAU COUNTY, FLORIDA  
SPECIAL ASSESSMENT BOND  
SERIES 2004**

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

SIX MILLION FOUR HUNDRED EIGHTY-SEVEN THOUSAND  
THREE HUNDRED SEVENTY-TWO DOLLARS AND SEVENTEEN CENTS

solely from the Pledged Revenues (hereinafter defined) and to pay interest on the unpaid balance thereof from the date hereof. Interest shall be payable on the dates set forth below, at an annual rate equal to 4.3% per annum, computed based on the basis of a 360-day year comprised of twelve 30-day months. The principal of this Bond shall be payable on October 1, 2005 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2014:

<u>Year</u>	<u>Amount</u>
2005	\$532,866.92
2006	555,780.20
2007	579,678.75
2008	604,604.93
2009	630,602.95
2010	657,718.87
2011	686,000.79
2012	715,498.82
2013	746,265.27
2014	778,354.67

Interest shall be paid on each April 1 and October 1, commencing October 1, 2005, in an amount equal to the interest accrued and unpaid to such date. The interest rate on this Bond is subject to

adjustment upon a Determination of Taxability (as defined in the Resolution) and certain other events affecting the tax status of the Issuer and the registered owner hereof, all as set forth in the Resolution defined below.

Both principal of and interest on this Bond are payable in lawful money of the United States of America by check or draft of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer to the owner of record as such owner shall appear in the registration books of the Issuer on the 15th day of the month prior to such payment date. The final payment of principal of and interest on the Bonds shall be payable, upon presentation, at the office of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer. Notwithstanding the foregoing, as long as one person or entity is the owner of this Bond, all payments of principal of and interest hereon, including the final payment thereof, shall be made by wire transfer to the account specified by the owner in writing to the Clerk. If a payment date for this Bond is not a business day, such payment date shall be the next succeeding business day; provided, that interest shall accrue to the date of payment.

This Bond is issued for the principal purpose of providing moneys to acquire and construct various road and ancillary improvements within the 2004 Assessment Area (as specified and defined in the Resolution) of the Issuer (the "2004 Project"), under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, the Issuer's Ordinance No. 2000-37 duly enacted by the Board of County Commissioners of the Issuer on September 25, 2000, as amended and supplemented, and other applicable provisions of law (the "Act") and a resolution adopted May 24, 2004, as amended and supplemented (the "Resolution") and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable from and secured by a lien upon and a pledge of (1) proceeds of special assessments levied, collected and received by the Issuer upon property in the Assessment Area benefitted by the 2004 Project within Nassau County, Florida, as more particularly described in the Resolution, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Revenues").

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer or the 2004 Project, but shall constitute a lien only on, and shall be payable from, the Pledged Revenues.

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

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the principal office of the Clerk by the registered owner hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Clerk duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The 2004 Bonds are issuable in fully registered form in the denomination equal to the outstanding principal amount thereof. The Issuer and any paying agent may treat the registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds are subject to redemption prior to their stated date of maturity, in whole or in part at any time upon 10 days prior written notice to the registered owners thereof and are subject to mandatory redemption upon a rate adjustment which would cause the rate of interest on the Bonds to exceed the maximum rate allowed by Section 215.84, Florida Statutes, as described in the Resolution.

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

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

**IN WITNESS WHEREOF**, the Board of County Commissioners of Nassau County, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chairman, its official seal or a facsimile thereof to be affixed or reproduced hereon, and countersigned and attested to by the manual or facsimile signature of its Clerk, all as of the 25<sup>th</sup> day of May, 2004.

**NASSAU COUNTY, FLORIDA**

(SEAL)

  
Chairman

ATTESTED AND COUNTERSIGNED:

  
Clerk

**VALIDATION CERTIFICATE**

This Bond is one of a series of Bonds which were validated by judgment of the Fourth Judicial Circuit Court of Florida in and for Nassau County, rendered on April 1, 2004.

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

  
Chairman

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
Insert Social Security or Other Identifying Number of Assignee

\_\_\_\_\_  
(Name and Address of Assignee)  
\_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature guaranteed:

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

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

## SCHEDULE OF PARTIAL REDEMPTIONS

[illegible]

***Nassau County, Florida - Amelia Concourse Assessment Area  
Municipal Services Benefit Unit***

***Revision #2 to Term Loan Commitment***

***Dated May 24, 2004***

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***1. Borrower***

***Nassau County, Florida - Amelia Concourse Assessment Area Municipal Services  
Benefit Unit (the "MSBU")***

***2. Lender***

***SunTrust Bank***

***3. Amount***

***Up to a \$7,500,000 Term Loan (the "Loan")***

***4. Purpose***

***Facilitate Construction of a 3.5 mile roadway through the assessment area.***

***5. Security***

***A. Senior lien on all Capital Assessments (the "Assessments") levied by Amelia  
Concourse Assessment Area MSBU. Such Assessments shall be levied and collected by  
Nassau County in the same manner as ad-valorem taxes pursuant to Sections 197.3632  
and 197.3635 of the Florida Statutes.***

***B. One Year Debt Service Reserve.***

***6. Terms***

***Level annual debt service with annual principal and semi-annual interest commencing  
not later than December 1, 2005 and continuing thereafter until maturity. Principal  
repayment shall be over a ten year term.***

**7. Interest Rate**

***Non Bank Qualified Tax-Exempt Fixed Rate of 4.30%, p.a. This rate is committed through June 4, 2004.***

**8. Interest Repayment**

***Semi- annual interest payments to commence not later than December 1, 2005 through maturity. Interest shall be payable on a 30/360 day basis.***

**9. Principal Prepayment**

***Full prepayment privileges without penalty.***

**10. Fees**

***Borrower shall incur \$3,000.00 in legal fees for review of the documents pursuant to Condition C below.***

**11. Acceptance Date**

***This Commitment to Borrower will expire on June 4, 2004. Please acknowledge acceptance by signing and returning the attached copy of this Commitment to the Bank on or before the expiration date.***

**12. Conditions**

***A) The Assessment period shall coincide with the amortization/repayment of the loan.***

***B) Subject Assessments shall be governed pursuant to existing Board of County Commissioners, Nassau County, FL Resolution No. 2003-141 and Initial Improvement Assessment Resolution and Maintenance Assessment Resolution for the Amelia Concourse Assessment Area adopted August 11, 2003.***

***C) Nabors, Giblin & Nickerson, PA shall (i) prepare documentation in form and substance satisfactory to the Bank and its legal counsel and (ii) provide approving opinion for this transaction. Legal documentation shall be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers Towers, P.A. of Jacksonville. Total legal fees for the review of the documentation in this transaction shall be \$3,000.00***

***D) All matters relating to this loan, including all instruments and documents required, are subject to Bank's policies and procedures in effect, applicable governmental***



*regulations and/or statutes, and approval by Bank and Bank's counsel.*

*E) Borrower shall submit annual Report of Assessment, Collection and Expenditure, verified pursuant to Condition M below, within 210 days of Nassau County's fiscal year end and any other information the Bank may reasonably request.*

*F) A written opinion from Borrower's counsel, in form and substance satisfactory to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that execution of said documents has been duly authorized, and addressing such other matters as Bank and its counsel deem appropriate.*

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

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

*I) the Non Bank Qualified Tax Exempt Interest Rate quoted herein assumes the obligation is a "non bank qualified tax- exempt obligation", as defined in Section 265(b) (3) of the Internal Revenue Service Code.*

*K) It is understood that the proposal set forth herein is conditioned upon the accuracy of information provided to the Bank by the Borrower. Any misrepresentation or false statement of material fashion made by the Borrower to induce this loan proposal or any material adverse change in the financial condition of the Borrower will be sufficient cause for the Bank to terminate this proposal.*

*L) WAIVER OF JURY TRIAL With respect to any lawsuit involving this loan, the loan documents, or any other aspect of this transaction between the Bank and the Borrower, the exclusive venue for any action shall be the county where the Bank is located and, in any such action, each party expressly waives any right to a jury trial.*

*M) Annual Compliance Certification by the Borrower's Independent Auditor.*

### **13. Closing Date**

*On or before June 4, 2004*

Respectfully submitted this 24th day of May, 2004

SunTrust Bank

By: \_\_\_\_\_

  
Bruce L. Barefoot  
Senior Vice President

Agreed to and accepted this 25th day of May, 2004

Board of County Commissioners

Nassau County, Florida

By: \_\_\_\_\_

  
Its: Chairman

Attest:

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

Approved as to form by the  
Nassau County Attorney:

  
Michael S. Mullin



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

Nick Deonas  
Ansley Acree  
Vickie Samus  
Floyd L. Vanzant  
Marianne Marshall

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

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

MICHAEL S. MULLIN  
County Attorney

Date: May 25, 2004

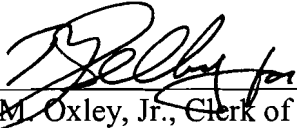
TO: Mr. Bruce Barefoot, Senior Vice-President  
200 West Forsyth Street  
Jacksonville, Fl. 32202  
Fax 904-632-2874  
Phone 904-632-2561

RE: Nassau County Jumbo Money Market Account  
Special Assessment Bond, Series 2004

WIRE INSTRUCTIONS: Request deposit of loan proceeds into:

Nassau County Board of County Commissioners  
Jumbo Public Funds Account at Sun Trust Bank  
A/C # 0070003782530  
Special Instructions: Send fax confirmation to (904) 548-4829  
And send written confirmation to: Clerk of Courts, Attn. Finance  
P.O. Box 4000  
Fernandina Beach, Fl. 32035-4000

REQUESTED BY: \_\_\_\_\_

  
J. M. Oxley, Jr., Clerk of the Courts  
Ex-Officio Clerk to the Board  
Nassau County Board of County Commissioners

(904) 321-5703, 879-1029, (800) 958-3496

*An Affirmative Action / Equal Opportunity Employer*



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

Nick Deonas  
Ansley Acree  
Vickie Samus  
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Dist. No. 4 Hilliard  
Dist. No. 5 Callahan

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

MICHAEL S. MULLIN  
County Attorney

May 25, 2004

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

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

SunTrust Bank  
Orlando, Florida

Gentlemen:

I have acted as County Attorney for Nassau County, Florida (the "County") in connection with the issuance of the County's \$6,487,372.17 Special Assessment Bond, Series 2004, dated as of May 25, 2004 (the "Bonds"). In such capacity, I have examined:

- (a) certified copies of Resolution No. 2004-79 of the Board of County Commissioners of the County, adopted May 24, 2004 (the "Resolution");
- (b) certified copies of Ordinance No. 2000-33 of the Board of County Commissioners of the County, enacted September 25, 2000 (the "Ordinance");
- (c) certified copies of County Resolution Nos. 2003-109 and 2003-141 (collectively, the "Assessment Resolutions"); and
- (d) such other records, documents, certificates, proceedings and laws as I have deemed necessary to enable me to render this opinion.

(904) 321-5703, 879-1029, (800) 958-3496

*An Affirmative Action / Equal Opportunity Employer*

Based upon the foregoing, I am of the opinion that:

1. The County is a political subdivision of the State of Florida duly organized and existing under and by virtue of the Constitution and laws of the State of Florida and is authorized to issue the Bonds to fund the project referenced in the Assessment Resolutions within the Assessment Area established pursuant to the Assessment Resolutions and to pledge and assign the Pledged Revenues (as defined in the Resolution) as security for the payment of the principal of and interest on the Bonds.

2. The County has full power and authority under the Constitution and laws of the State of Florida, including particularly the Act (as defined in the Resolution), to participate in the financing and to perform its obligations as provided in the Bonds, the Ordinance, the Assessment Resolutions and the Resolution.

3. The County has and had, as the case may be, full legal right, power and authority (1) to adopt the Resolution and the Assessment Resolutions, to enact the Ordinance and to execute and deliver the Bonds, (2) to issue, sell and deliver the Bonds to the purchaser thereof as provided in the Resolution, and (3) to perform all of its other obligations contemplated by the Bonds, the Ordinance, the Assessment Resolutions and the Resolution, and the County has complied with all provisions of applicable law in all matters relating to the performance of such obligations, except with respect to Blue Sky laws, as to which no opinion is expressed.

4. The County has duly authorized or ratified (1) the adoption of the Resolution and the Assessment Resolutions, the enactment of the Ordinance and the execution, delivery and performance of the Bonds (including the pledge and assignment by the County pursuant to the Resolution of its rights and interests to the Pledged Revenues and the amounts to be received pursuant thereto) and the Bonds, and (2) the taking of any and all such action as may be required on the part of the County to carry out, give effect to and consummate its obligations as contemplated by the Resolution, the Assessment Resolutions, the Ordinance and the Bonds.

5. The Resolution, the Assessment Resolutions, the Ordinance and the Bonds constitute the legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, general principles of equity or other laws affecting creditors' rights generally.

6. The Bonds have been duly authorized, executed, issued and delivered and constitute the legal, valid and binding obligations of the County enforceable in accordance with their terms and the terms of the Resolution, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, general principles of equity or other laws affecting creditors' rights generally.

7. All approvals, consents and orders of and filings with any governmental authority or

agency which would constitute a condition precedent to the issuance of the Bonds or the execution and delivery of or the performance by the County of its obligations under the Bonds, the Assessment Resolutions, the Ordinance or the Resolution have been obtained or made and any consents, approvals and orders so received or filings so made are in full force and effect; provided, however, that no representation is made concerning any consent, approval, authorization, order or compliance with any governmental agency or body other than those agencies or bodies created under the laws of the State of Florida nor regarding any filings under the Blue Sky laws of any jurisdiction.

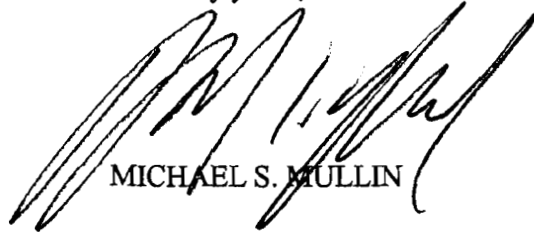
8. The adoption and performance by the County of the Resolution and the Assessment Resolutions, the enactment and performance by the County of the Ordinance and the authorization, execution, delivery and performance of the Bonds and any other agreement or instrument to which the County is a party, used or contemplated for use in consummation of the transactions contemplated by the Resolution or the Bonds, and compliance with the provisions of each such instrument, do not and will not conflict with, or constitute or result in a violation or breach of or default under, the Constitution of the State of Florida, or any existing law, administrative regulation, rule, decree or order of the State of Florida, or any material provision of any agreement, indenture, mortgage, lease, note or other agreement or instrument to which the County as such is subject or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the revenues, property or assets of the County under the terms of the Constitution of the State of Florida, or any law of the State of Florida, or any instrument or agreement to which the County is a party or by which it is bound.

9. No litigation or other proceedings are pending or threatened in any court or other tribunal, State or Federal, (1) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or (2) questioning the validity of any provision of the Bonds, the Ordinance, the Assessment Resolutions or the Resolution or any special assessment imposed pursuant to the Assessment Resolutions or (3) questioning the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Bonds, or of any provision, program or transactions made or authorized for payment of the Bonds, or (4) questioning the organization or existence of the County or the title of any of its officers to their respective offices.

10. The Assessment Resolutions, which provide for the levy of special assessments against benefitted property within the Assessment Area, have been duly adopted and are in full force and effect and are binding and enforceable against the County in accordance with their terms. All special assessments imposed in the Assessment Area in accordance with the Assessment Resolutions pursuant

to Florida law constitute a lien against the property benefitted thereby, co-equal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims until paid (except for federal tax liens).

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Michael S. Mullin', written over the printed name.

MICHAEL S. MULLIN

MSM/am

word-perfect/z/amyers/legal-opinions/amelia-concourse-may-21-2004

**NABORS, GIBLIN & NICKERSON, P.A.**

ATTORNEYS AT LAW  
THE POINTE, SUITE 1060  
2502 ROCKY POINT DRIVE  
TAMPA, FLORIDA 33607

TELEPHONE (813) 281-2222  
TELECOPY (813) 281-0129

SUITE 200  
1800 MAHAN DRIVE  
TALLAHASSEE, FLORIDA 32308  
(850) 224-4070  
TELECOPY (850) 224-4073

CNL CENTER, SUITE 510  
450 SOUTH ORANGE AVENUE  
ORLANDO, FLORIDA 32801  
(407) 426-7595  
TELECOPY (407) 426-8022

May 25, 2004

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

Commissioners:

We have examined a record of proceedings relating to the issuance of a \$6,487,372.17 Special Assessment Bond, Series 2004 (the "Bonds") of Nassau County, Florida (the "Issuer").

The Bonds are issued under and pursuant to the Laws of the State of Florida, including particularly Chapter 125, Florida Statutes, and pursuant to a resolution of the Board of County Commissioners of the Issuer adopted on May 24, 2004 (the "Resolution").

The Bonds are dated May 25, 2004 and will mature on the dates and in the principal amounts, and will bear interest at the rates per annum, as provided in the Resolution. Principal and interest on the Bonds shall be payable annually. The Bonds are subject to redemption prior to maturity as provided in the Resolution. The Bonds are in the form of fully registered Bonds in the denomination of \$6,487,372.17 or such smaller denomination resulting from a partial redemption thereof.

The Bond is issued for the purpose of providing moneys for funding the cost of certain road and ancillary improvements to be made within the Assessment Area established by Ordinance No. 2000-37 and Resolution Nos. 2003-109 and 2003-141 (collectively, the "Assessment Resolution") of the Issuer. The special assessments imposed in the Assessment Area are established by the Assessment Resolution.

We are of the opinion that:

1. The Issuer is a duly created and validly existing political subdivision of the State of Florida.
2. The Issuer has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the



May 25, 2004

Issuer, is in full force and effect in accordance with its terms and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Pledged Revenues (as defined in the Resolution), enforceable against all third parties, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Issuer is duly authorized and entitled to issue the Bonds, and the Bonds have been duly and validly authorized and issued by the Issuer in accordance with the Constitution and Laws of the State of Florida and the Resolution. The Bonds constitute valid and binding obligations of the Issuer as provided in the Resolution, and are enforceable in accordance with their terms and the terms of the Resolution and the laws pursuant to which they are issued. The Bonds do not constitute a general indebtedness of the Issuer or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are payable solely from the Pledged Revenues in the manner provided in the Resolution. No holder of the Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer or the State of Florida or any agency, department or political subdivision thereof to pay the Bonds.

4. The Bonds and interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted in the Resolution to comply with all such requirements. Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Board of County Commissioners  
of Nassau County, Florida  
Nabors, Giblin & Nickerson, P.A.  
SunTrust Bank  
Page 3

May 25, 2004

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

We have examined the form of the Bonds and, in our opinion, the form of the Bonds is regular and proper.

Very truly yours,

NABORS, GIBLIN & NICKERSON, P.A.

**NABORS, GIBLIN & NICKERSON, P.A.**

ATTORNEYS AT LAW

THE POINTE, SUITE 1060

2502 ROCKY POINT DRIVE

TAMPA, FLORIDA 33607

TELEPHONE (813) 281-2222

TELECOPY (813) 281-0129

SUITE 200

1500 MAHAN DRIVE

TALLAHASSEE, FLORIDA 32308

(850) 224-4070

TELECOPY (850) 224-4073

CNL CENTER, SUITE 510

450 SOUTH ORANGE AVENUE

ORLANDO, FLORIDA 32801

(407) 426-7595

TELECOPY (407) 426-8022

May 25, 2004

SunTrust Bank  
Jacksonville, Florida

Gentlemen:

Of even date herewith we have delivered our approving opinion with respect to Nassau County, Florida's Special Assessment Bond, Series 2004 (the "Bonds"). You may rely upon such opinion as if it was addressed to you.

We are also of the opinion that (i) the Bonds are exempt from registration under the Securities Act of 1933, as amended, (ii) a resolution of the Board of County Commissioners of Nassau County, Florida adopted May 24, 2004, need not be qualified pursuant to the Trust Indenture Act of 1939, as amended and (iii) the Bonds are exempt from registration under the laws of the State of Florida by virtue of Section 517.051(1), Florida Statutes.

Respectfully submitted,

NABORS, GIBLIN & NICKERSON, P.A.

**SUNTRUST BANK  
200 WEST FORSYTH STREET  
JACKSONVILLE, FLORIDA 32202**

May 25, 2004

Mr. J. M. Oxley  
Clerk of Courts  
Nassau County, Florida  
Judicial Annex  
76347 Veterans Way  
Yulee, FL 32097, Florida 32034

Re: \$6,487,372.17 Nassau County, FL - Special Assessment Bond, Series 2004

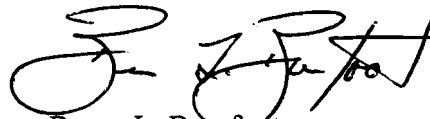
Dear Mr. Oxley:

As registered owner of the bond described above, we hereby request that all debt service payments be made by wire transfer as follows:

**SunTrust Bank  
Atlanta, Georgia  
ABA #061000104  
Credit Account #9088000112  
Name of Account - Wire Clearings**

**Re: Nassau County, Florida  
Amelia Concourse Assessment Area  
[Special Assessment Bond, Series 2004]  
Notify: Loretha Sessions  
Phone: 904-632-2606**

Very truly yours,

A handwritten signature in black ink, appearing to read "B. Barefoot", with a stylized flourish at the end.

Bruce L. Barefoot,  
Senior Vice President

## **SCHEDULE A**

**\$6,487,372.17**  
**Nassau County, Florida**  
**Special Assessment Bond, Series 2004**

The Series 2004 Bond is dated as of May 25, 2004 and is payable as to principal commencing October 1, 2005 and annually thereafter in the amounts set forth below on October 1 of each year, through and including its maturity on October 1, 2014, subject to adjustment as set forth in the Resolution referenced below:

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
2005	\$532,866.92
2006	555,780.20
2007	579,678.75
2008	604,604.93
2009	630,602.95
2010	657,718.87
2011	686,000.79
2012	715,498.82
2013	746,265.27
2014	778,354.67

Interest shall be paid on each April 1 and October 1, commencing October 1, 2005, in an amount equal to the interest accrued and unpaid to such date.

The Series 2004 Bond bears interest at the rate of 4.3% per annum subject to adjustment as set forth in the Resolution of the County authorizing the issuance of the Series 2004 Bond.

**\$6,487,372.17**  
**NASSAU COUNTY, FLORIDA**  
**SPECIAL ASSESSMENT BOND, SERIES 2004**

List of Closing Documents  
May 25, 2004

**I. NASSAU COUNTY, FLORIDA**

- 1.1 Certified copy of Resolution No. 2001-189, adopted on December 17, 2001.
- 1.2 Certified copy of Resolution No. 2004-79 adopted on May 24, 2004.
- 1.3 Certified copy of Ordinance No. 2000-37, enacted September 25, 2000.
- 1.4 Certified copy of County Resolution No 2003-109, adopted on August 11, 2003, and proof of publication thereof.
- 1.5 Certified copy of County Resolution No. 2003-141, adopted on September 22, 2003.
- 1.6 Incumbency Certificate.
- 1.7 Signature Certificate.
- 1.8 No-Litigation Certificate.
- 1.9 Certificate as to Arbitrage and Certain Other Tax Matters.
- 1.10 Issuer's General Certificate.
- 1.11 Certificate as to Specimen Bond.
- 1.12 County's Certificate as to Delivery and Payment.
- 1.13 Certificate as to No Prior Pledge.
- 1.14 Internal Revenue Service Form 8038-G.
- 1.15 Division of Bond Finance Forms.
- 1.16 Affidavit of Mailing.
- 1.17 Final Judgment of Validation.
- 1.18 Certificate of Clerk as to No Appeal.

**II. SUNTRUST BANK**

- 2.1 Purchaser's Disclosure Letter required by Section 218.385, Florida Statutes.
- 2.2 Certificate as to Delivery and Payment.

### **III. LEGAL OPINIONS**

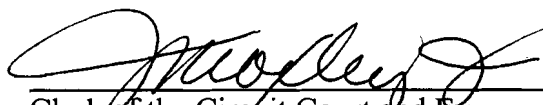
- 3.1 Approving Opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel.
- 3.2 Supplemental Opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel.
- 3.3 Opinion of Michael S. Mullin, Esquire, County Attorney.

**CLERK'S CERTIFICATE REGARDING RESOLUTION**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Resolution No. 2001-189 entitled "**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, ELECTING TO USE THE UNIFORM METHOD OF COLLECTING NON-AD VALOREM SPECIAL ASSESSMENTS LEVIED WITHIN THE UNINCORPORATED AREA OF THE COUNTY; STATING A NEED FOR SUCH LEVY; PROVIDING FOR THE MAILING OF THIS RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE,**" adopted at a meeting of the Board of County Commissioners duly called and held on December 17, 2001, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been further modified, amended or repealed, and is in full force and effect on and as of the date hereof in the form attached.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)

  
Clerk of the Circuit Court and Ex-  
Officio Clerk of the Board of County  
Commissioners of Nassau County, Florida

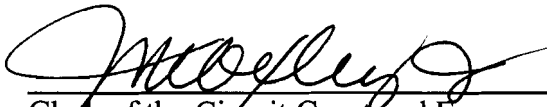


**CLERK'S CERTIFICATE REGARDING RESOLUTION**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Resolution No. 2004- 79 entitled "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AMENDING AND RESTATING IN ITS ENTIRETY ITS RESOLUTION ADOPTED DECEMBER 22, 2003 WITH RESPECT TO THE COUNTY'S SPECIAL ASSESSMENT BONDS, SERIES 2004; AND PROVIDING AN EFFECTIVE DATE," adopted at a meeting of the Board of County Commissioners duly called and held on May 24, 2004, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been further modified, amended or repealed, and is in full force and effect on and as of the date hereof in the form attached.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)


  
Clerk of the Circuit Court and Ex-  
Officio Clerk of the Board of County  
Commissioners of Nassau County, Florida

**CLERK'S CERTIFICATE REGARDING ORDINANCE NO. 2000-37**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Ordinance No. 2000-37 entitled "AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, RELATING TO CAPITAL IMPROVEMENTS AND RELATED SERVICES PROVIDING A SPECIAL BENEFIT TO LOCAL AREAS WITHIN THE COUNTY; PROVIDING DEFINITIONS AND FINDINGS; PROVIDING FOR TITLE AND CITATION; PROVIDING FOR THE CREATION OF ASSESSMENT AREAS; AUTHORIZING THE IMPOSITION AND COLLECTION OF SPECIAL ASSESSMENTS TO FUND THE COST OF CAPITAL IMPROVEMENTS AND RELATED SERVICES PROVIDING A SPECIAL BENEFIT TO LOCAL AREAS WITHIN THE COUNTY; ESTABLISHING PROCEDURES FOR NOTICE AND ADOPTION OF ASSESSMENT ROLLS AND FOR CORRECTION OF ERRORS AND OMISSIONS; PROVIDING THAT ASSESSMENTS CONSTITUTE A LIEN ON ASSESSED PROPERTY UPON ADOPTION OF THE ASSESSMENT ROLLS; ESTABLISHING PROCEDURES AND METHODS FOR COLLECTION OF ASSESSMENTS; AUTHORIZING THE ISSUANCE OF OBLIGATIONS SECURED BY ASSESSMENTS; PROVIDING FOR VARIOUS RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH OBLIGATIONS; PROVIDING THAT SUCH OBLIGATIONS WILL NOT CREATE A GENERAL DEBT OR OBLIGATION OF THE COUNTY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE;" enacted at a meeting of the Board of County Commissioners duly called and held on September 25, 2000 at which meeting a quorum was present and acting throughout, which ordinance has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said ordinance is a true, complete and correct copy thereof, and said ordinance has been duly enacted and has not been further modified, amended or repealed.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)



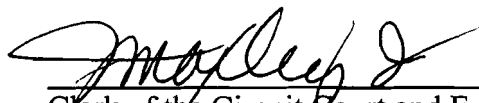
Clerk of the Circuit Court and Ex-Officio  
Clerk of the Board of County Commissioners  
of Nassau County, Florida

**CLERK'S CERTIFICATE REGARDING INITIAL ASSESSMENT RESOLUTION**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Resolution No. 2003-109 entitled "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, RELATING TO THE CONSTRUCTION AND FUNDING OF ROAD IMPROVEMENTS; DESCRIBING THE PROPERTY TO BE LOCATED WITHIN THE PROPOSED AMELIA CONCOURSE ASSESSMENT AREA; DETERMINING THE ESTIMATED CAPITAL AND MAINTENANCE COST OF THE ROAD IMPROVEMENTS; DETERMINING THAT CERTAIN REAL PROPERTY WILL BE SPECIALLY BENEFITTED BY THE ROAD IMPROVEMENTS; ESTABLISHING THE METHOD OF ASSESSING THE CAPITAL AND MAINTENANCE COSTS; ESTABLISHING OTHER TERMS AND CONDITIONS OF THE ASSESSMENTS; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE PROPOSED ASSESSMENTS AND THE METHOD OF THEIR COLLECTION; DIRECTING THE PROVISION OF NOTICE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE;" which was adopted at a meeting held on August 11, 2003 at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been further modified, amended or repealed, except as amended by Resolution No. 2003-141, and is in full force and effect on and as of the date hereof in the form attached.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)

  
\_\_\_\_\_  
Clerk of the Circuit Court and Ex-  
Officio Clerk of the Board of County  
Commissioners of Nassau County, Florida

**CLERK'S CERTIFICATE REGARDING ASSESSMENT RESOLUTION**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto is a copy of Nassau County Resolution No. 2003-141 entitled "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, RELATING TO THE CONSTRUCTION AND FUNDING OF ROAD IMPROVEMENTS; CREATING THE AMELIA CONCOURSE ASSESSMENT AREA; AMENDING AND CONFIRMING THE INITIAL ASSESSMENT RESOLUTION; ESTABLISHING THE MAXIMUM ANNUAL ASSESSMENT FOR EACH TAX PARCEL; IMPOSING ASSESSMENTS AGAINST PROPERTY WITHIN THE AMELIA CONCOURSE ASSESSMENT AREA; APPROVING THE ASSESSMENT ROLL; PROVIDING FOR COLLECTION OF THE ASSESSMENTS; AND PROVIDING AN EFFECTIVE DATE;" which was adopted at a meeting held on September 22, 2003, at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof to be recorded in the Minute Book of said County and that said resolution is a true, complete and correct copy thereof, and said resolution has been duly adopted and has not been further modified, amended or repealed, and is in full force and effect on and as of the date hereof in the form attached.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)



\_\_\_\_\_  
Clerk of the Circuit Court and Ex-  
Officio Clerk of the Board of County  
Commissioners of Nassau County, Florida

## INCUMBENCY CERTIFICATE

I, J. M. "Chip" Oxley, Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** as follows:

1. The following are now, and have continuously been since the dates of beginning of their respective current terms shown below, the duly appointed, qualified and acting members of the Board of County Commissioners (the "Board"), and the dates of the beginning and ending of their respective current terms are hereunder correctly designated opposite their names:

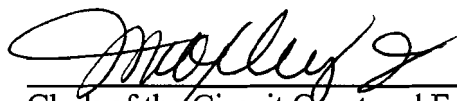
<u>Member</u>	<u>Beginning Date of Current Term</u>	<u>Ending Date of Current Term</u>
Marianne Marshall	November 2000	November 2004
Ansley N. Acree	November 2002	November 2006
Vicki Samus	November 2000	November 2004
Nick D. Deonas	November 2000	November 2004
Floyd L. Vanzant	November 2002	November 2006

2. The following are now, and have continuously been since the dates of beginning of their respective current terms of office shown below, the duly appointed, qualified and acting officers of the County and the dates of the beginning and ending of their respective current terms of office are hereunder correctly designated opposite their names:

<u>Office</u>	<u>Name</u>	<u>Beginning Date of Current Term</u>	<u>Ending Date of Office</u>
Chairman	Floyd L. Vanzant	November 2003	November 2004
Clerk	J. M. "Chip" Oxley	January 2001	January 2005

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)

  
 \_\_\_\_\_  
 Clerk of the Circuit Court and Ex-  
 Officio Clerk of the Board of County  
 Commissioners of Nassau County, Florida

**SIGNATURE CERTIFICATE**

We, the undersigned, **DO HEREBY CERTIFY** that:

1. We did heretofore officially execute the obligations described in Schedule A attached hereto (the "Bond") of Nassau County, Florida (the "County").

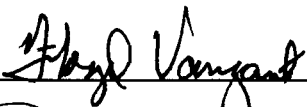

2. Floyd L. Vanzant, Chairman of the Board of County Commissioners of Nassau County, Florida (the "Board"), has executed the Bonds by his manual signature, and that said Chairman was on the date his manual signature was imprinted on the Bonds and is now the duly chosen, qualified and acting Chairman of the Board.

3. We have caused the official seal of the County to be imprinted on the Bonds, said seal impressed thereon being the official seal of the County, and that J. M. "Chip" Oxley, Clerk of the Circuit Court and Ex-Officio Clerk of the Board, has caused such seal to be attested by his manual signature, and that said J. M. "Chip" Oxley was on the date his manual signature was imprinted on the Bonds and is now the duly elected, qualified and acting Clerk of the Board.

4. The seal which has been imprinted on the Bonds and impressed upon this certificate is the legally adopted, proper and only seal of the County.

**IN WITNESS WHEREOF**, we have hereunto set our hands and affixed the official seal of the County this 25th day of May, 2004.

(SEAL)

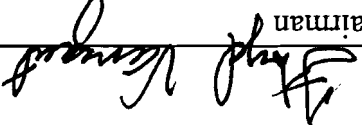
<u>Signature</u>	<u>Title of Office</u>	<u>Term of Office Expires</u>
	Chairman	November 2004
	Clerk	January 2005

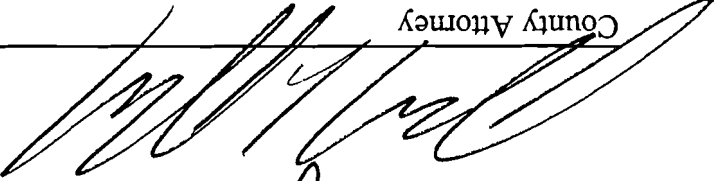
## NO-LITIGATION CERTIFICATE

We, Floyd L. Vanzant, Chairman of the Board of County Commissioners of Nassau County, Florida (the "County") and Michael S. Mullin, County Attorney for Nassau County, Florida, **DO HEREBY CERTIFY** that no legal proceedings are pending or, to the best of our knowledge, threatened which materially affect the County's ability to perform its obligations to the holder of the obligations described in Schedule A attached hereto (the "Bonds") of the County. There is no litigation or controversy of any nature now pending or, to the best of our knowledge, threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting the validity of the Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of said Bonds or the pledge or application of any moneys provided for the payment of the Bonds or County Ordinance No. 2000-37 or any special assessments levied pursuant thereto.

**IN WITNESS WHEREOF**, we have hereunto set our hands this 25th day of May, 2004.

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

  
Chairman

  
County Attorney

## **SCHEDULE A**

**\$6,487,372.17**  
**Nassau County, Florida**  
**Special Assessment Bond, Series 2004**

The Series 2004 Bond is dated as of May 25, 2004 and is payable as to principal commencing October 1, 2005 and annually thereafter in the amounts set forth below on October 1 of each year, through and including its maturity on October 1, 2014, subject to adjustment as set forth in the Resolution referenced below:

<u>Year</u> <u>(October 1)</u>	<u>Amount</u>
2005	\$532,866.92
2006	555,780.20
2007	579,678.75
2008	604,604.93
2009	630,602.95
2010	657,718.87
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2012	715,498.82
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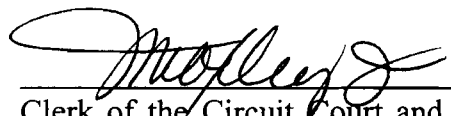
Interest shall be paid on each October 1, commencing October 1, 2005, in an amount equal to the interest accrued and unpaid to such date.

The Series 2004 Bond bears interest at the rate of 4.3% per annum subject to adjustment as set forth in the Resolution of the County authorizing the issuance of the Series 2004 Bond.



IN WITNESS WHEREOF, I have hereunto set my hand as of this 25th day of May, 2004.

NASSAU COUNTY, FLORIDA

  
Clerk of the Circuit Court and Ex Officio  
Clerk of the Board of County Commissioners  
of Nassau County, Florida

**CERTIFICATE AS TO ARBITRAGE  
AND CERTAIN OTHER TAX MATTERS**

I, J.M. "Chip" Oxley, Clerk of the Circuit Court and Ex Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), being a person duly charged, together with others, with the responsibility for issuing the County's \$6,487,372.17 Special Assessment Bond, Series 2004 (the "Bonds"), dated as of May 25, 2004 and being issued this day, **DO HEREBY CERTIFY** that:

**1. AUTHORIZATION AND DEFINITIONS.** The Bonds are being issued pursuant to the authority contained in Section 125.01, et seq., Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 2004- 79 of the County, adopted May 24, 2004 (the "Resolution") and Ordinance No. 2000-37 of the County, enacted September 25, 2000, as amended (the "Ordinance").

The terms defined in the Resolution shall retain the meanings set forth therein when used in this Certificate unless the context clearly indicates another meaning is intended. Other terms used in this Certificate shall have the meanings set forth for same in other provisions hereof or in the Code, or in the Regulations, or in the Arbitrage Rebate Statement attached hereto as Exhibit A, in each case unless the context clearly indicates another meaning is intended.

**2. PURPOSE.** The Bonds are being issued for the purposes of (i) financing the cost of the acquisition and construction of certain road and ancillary improvements within the Assessment Area (the "Project"); (ii) funding a Reserve Account and (ii) paying certain costs of issuance of the Bonds.

**3. FACTS, ESTIMATES AND CIRCUMSTANCES.** On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Bonds and with respect to the proceeds of the Bonds:

(a) **NET PROCEEDS.**

(i) **Total.** The amount of proceeds received by the County from the sale of the Bonds (the "Net Proceeds") consists of the principal amount of \$6,487,372.17.

(ii) **Construction Fund Deposit.** An amount of Net Proceeds of the Bonds of \$5,688,000.00 will be deposited in the Project Fund established under the Resolution. The Project Fund shall be used to pay the Costs of the Project.

(iii) **Costs of Issuance.** An amount of Net Proceeds of the Bonds equal to \$53,000.00 will be used on the date hereof for payment of costs of issuance of the Bond.

(b) NO OVERISSUANCE. The Net Proceeds of the Bonds, less payment of the costs of issuance (the "Original Proceeds") will be used to finance the costs of the Project. Taking into account other available funds, the amount of Net Proceeds necessary to finance the Project equals or exceeds the amount of Original Proceeds.

(c) CONSTRUCTION FUND:

(i) Construction Fund. An amount of the Original Proceeds of the Bonds equal to \$5,688,000.00 will be deposited in the Construction Fund, and such amount and investment earnings thereon will be used to pay for a portion of the Cost of the Project.

(ii) Use of Construction Fund Moneys. The County expects to spend all of the Original Proceeds of the Bonds and Investment Proceeds related thereto on or before May 24, 2007.

(iii) Binding Obligations. The County has spent or expects, within six months of the date hereof, to spend (or to enter into binding obligations with third parties obligating the County to spend) from the Original Proceeds of the Bonds and Investment Proceeds thereon, an amount at least equal to the lesser of \$100,000 or 2 ½ percent of the cost of that portion of the Project to be funded from the Original Proceeds (including capitalized interest) in order to commence or acquire such portion of the Project.

(iv) Due Diligence. Work on the acquisition and construction of the Project to be funded from the Original Proceeds will proceed with due diligence to the completion thereof.

(v) Disposal of Project. The Project is not expected to be sold or disposed of prior to the last maturity date of the Bonds, except such portions as may be disposed of in the normal course of business.

(d) FLOW OF FUNDS. The Bonds are secured by a pledge of and lien upon the Pledged Funds, as defined in the Resolution.

All Special Assessment Proceeds (as defined in the Resolution) and any amounts separately billed to pay collection costs shall be paid into and disbursed from the following funds as set forth below.

(i) Expense Account. The County shall deposit into the Expense Account, amounts required for the expenses and the payment of Collection Costs and other administrative expenses relating to the Bonds or the Assessments; all such fees, costs and expenses shall be limited to reasonable fees and expenses. Moneys on deposit in the Expense Account shall also be used to pay principal of and interest on the Bonds (whether at maturity or by redemption) in the event there is a deficiency in the Payment or Redemption Accounts.

(ii) Payment Account. The County shall deposit or credit to the Payment Account of the Debt Service Fund, from the Assessment Account, the sum which, together with

the balance in said Account, shall equal the interest on all Outstanding Bonds due on the next subsequent Payment Date and the principal due or to become due on the Outstanding Bonds on the next subsequent Payment Date on which principal is due which shall be not greater than one year from the date of such deposit. Moneys in the Payment Account shall be used for payment of principal of and interest on the Bonds when the same become due and payable. In the event the County shall determine that any moneys in the Payment Account shall not be required to pay the principal or interest of Bonds coming due on the otherwise corresponding Payment Date because such Bonds have been called or redeemed, the County shall transfer such moneys to the Redemption Account.

(iii) Reserve Account. The County shall next deposit into the Reserve Account such amount as shall be necessary to restore amounts on deposit therein to the Reserve Account Requirement. On or prior to each Payment Date, to the extent that there are insufficient amounts on deposit in the Payment Account to make the required payment of principal of or interest on the Bonds due on such date, amounts on deposit in the Reserve Account shall be utilized for such purpose. Whenever there shall be amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement, such excess shall be deposited into the Assessment Account.

(iv) Rebate Account. The County shall next deposit into the Rebate Account, from the Assessment Account, all amounts required to be deposited therein in order to make timely rebate payments to the United States government.

(v) Redemption Account. The balance of any funds remaining in the Assessment Account after the deposits and payments required above shall be deposited into the Redemption Account. Excess moneys on deposit in the Construction Fund shall be deposited to the Redemption Account.

(vi) No Other Funds and Accounts. Other than the Funds and Accounts described in this Certificate, no Fund or Account has been established pursuant to any instrument which secures or otherwise relates to the Bonds.

#### **4. YIELD.**

(a) GENERAL. For purposes of this Certificate, bond yield is, and shall be, calculated in the manner provided in Treasury Regulations Section 1.148-4, and the provisions therein will be complied with in all respects. The term "bond yield" means, with respect to a bond, the discount rate that when used in computing the present value of all the unconditionally payable payments of principal and interest and all the payments for a qualified guarantee paid and to be paid with respect to the bond produces an amount equal to the present value of the issue price of the bond. In computing the purchase price of the Bond, which is equal to the issue price, the County did not take into consideration the costs of issuance. The purchase price of the Bonds, therefore, is the principal amount of \$6,487,372.17. For purposes hereof, yield is, and shall be, calculated on a 365-day year based on actual number of days. The yield on the Bonds calculated in the above-described manner is equal to 4.300902, as calculated by RBC Dain Rauscher, financial advisor to the County, as the same may change from time to time as set forth in the Resolution (the "Bond Yield"). It should be noted, however, that such yield may, under certain

circumstances set forth in the Treasury Regulations, be subject to recalculation. See Exhibit A hereto.

The purchase price of all obligations other than tax-exempt investments ("Taxable Obligations") to which restrictions as to yield under this Certificate applies shall be calculated using (i) the price, taking into account discount, premium, and accrued interest, as applicable, actually paid or (ii) the fair market value if less than the price actually paid and if such Taxable Obligations were not purchased directly from the United States Treasury. The County will acquire all such Taxable Obligations directly from the United States Treasury or in arms length transactions without regard to any amounts paid to reduce the yield on such Taxable Obligations. The County will not pay or permit the payment of any amounts to reduce the yield on any Taxable Obligations.

(b) DEBT SERVICE FUND -- DEBT SERVICE. Amounts held in the Debt Service Fund which are set aside for the payment of the principal of and interest on the Bonds will be invested without regard to yield restriction for a period not to exceed thirteen (13) months from the date of deposit of such amounts in such Fund. Any amounts not expended within the period set forth above shall be invested at a yield not in excess of the Bond Yield.

(c) CONSTRUCTION FUND. Amounts deposited in the Construction Fund from Original Proceeds will be invested without regard to yield restrictions for a period not exceeding three years from the date hereof. Any such amounts not expended within the period set forth above shall, to the extent not invested in tax-exempt investments, be invested at a yield not in excess of the Bond Yield or shall be subject to yield reduction payments pursuant to Treasury Regulation Section 1.148-5(c).

(d) INVESTMENT EARNINGS. All investment earnings on amounts in the Construction Fund derived from Original Proceeds may be invested without regard to yield restrictions for a period not to exceed three (3) years from the date hereof. Any investment earnings on amounts in the Construction Fund derived from Original Proceeds not expended within three (3) years from the date hereof shall be invested at a Yield not in excess of the Bond Yield. All investment earnings on amounts in the Debt Service Fund may be invested without regard to yield restriction for a period not to exceed one (1) year from the date of receipt of the amount earned. All investment earnings on amounts in the Debt Service Fund not expended within one (1) year from the date of receipt shall be invested at a yield not in excess of the Bond Yield.

**5. FURTHER CERTIFICATIONS.** The County will take no action which would cause the Bonds to become Private Activity Bonds or Industrial Development Bonds (as such terms are defined in the Code), including, without limitation, any sale, lease, management or similar use of the Project to or by any person other than a governmental unit. None of the Gross Proceeds of the Bonds will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit.

The Bonds do not constitute a "private loan" within the meaning of Section 141(c) of the Code. The Bonds qualify for the tax assessment bond exception set forth in the regulations, in that

(i) the Assessments are an enforced contribution imposed for the purpose of raising revenue to finance the Project, (ii) the nature of the Project is a function customarily performed and bond-financed by governments with general taxing powers and (iii) the Assessments are imposed on an equal basis (subject to apportionment for benefit) among all property owners within the Assessment Area.

No bonds or other obligations of the County (a) were sold in the 15 days preceding the date of sale of the Bonds, (b) were sold or will be sold within the 15 days after the date of sale of the Bonds, (c) have been delivered in the past 15 days, or (d) will be delivered in the next 15 days, pursuant to a common plan of financing with the plan for the issuance of the Bonds and payable out of substantially the same source of revenues.

The County does not expect that the proceeds of the Bonds will be used in a manner that would cause them to be arbitrage bonds under Section 148 of the Code. The County does not expect that the proceeds of the Bonds will be used in a manner that would cause the interest on the Bonds to be includable in the gross income of the holder of the Bonds under Section 103 of the Code.

**6. REBATE.** Moneys in the Rebate Fund shall be held in trust by the County and, subject to the provisions hereof, shall be held for the benefit of the United States Government as contemplated under the provisions hereof and shall not constitute part of the trust estate held for the benefit of the Holders of the Bonds or the County. The County acknowledges and agrees to comply with the terms of the Arbitrage Rebate Statement attached hereto as Exhibit A.

**7. AMENDMENTS.** The provisions hereof need not be observed and this Certificate may be amended or supplemented at any time by the County if, in each case, the County receives an opinion or opinions of Bond Counsel that the failure to comply with such provisions will not cause, and that the terms of such amendment or supplement will not cause, the Bonds to become arbitrage bonds under Section 148 of the Code, or other applicable section of the Code, or otherwise cause interest on the Bonds to become includable in gross income for federal income tax purposes under the Code.

**8. BONDS NOT FEDERALLY GUARANTEED.** Payment of debt service on the Bonds is not directly or indirectly guaranteed in whole or in part by the United States, within the meaning of Section 149(b) of the Code. None of the Original Proceeds of the Bonds will be invested directly or indirectly in federally insured deposits or accounts except for Original Proceeds invested during the applicable temporary periods described in Section 3(c)(ii) hereof until such Original Proceeds are needed for the purpose for which the Bonds are being issued.

**9. BONDS NOT HEDGE BONDS.** It is reasonably expected that not less than 85% of the Original Proceeds will be used to carry out the governmental purposes of the Bonds within three (3) years from the date hereof. None of the Original Proceeds will be invested in nonpurpose investments having a substantially guaranteed yield for four (4) years or more (including but not limited to any investment contract or fixed yield investment having a maturity of four (4) years or more). The reasonable expectations stated above are not based on and do not take into account any expectations or assumptions as to the occurrence of changes in market interest rates or of

federal tax law or regulations or rulings thereunder. Those reasonable expectations are not based on any prepayments of items other than items which are customarily prepaid.

**10. ADDITIONAL COVENANTS.** The County further agrees to (a) impose such limitations on the investment or use of moneys or investments related to the Bonds, (b) make such rebate payments to the United States Treasury, (c) maintain such records, (d) perform such calculations, (e) enter into such agreements, and (f) perform such other acts as may be necessary under the Code to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds, which it may lawfully do.

**11. INFORMATION.** The County agrees to file all information statements as may be required by the Code.

**12. VALUATION AND MARKET PRICE RULES.** In determining the amounts on deposit in any fund or account for purposes of this Certificate, the purchase price of the obligations, including accrued interest, shall be added together, and adding or subtracting to such purchase prices any discount, computed ratably on an annual basis. With respect to any amounts required to be restricted as to yield, the "market price rules" set forth in Exhibit A attached hereto shall apply.

**13. NO REPLACEMENT.** No portion of the amounts received from issuance, conversion, sale or remarketing of the Bonds will be used as a substitute for other funds which were otherwise to be used for the payment of debt service on the Bonds, and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the Bond Yield.

**14. NO ADVERSE ACTION.** The County has neither received notice that its Certificate may not be relied upon with respect to its issues, nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

To the best of my knowledge and belief there are no facts, estimates or circumstances other than those expressed herein that materially affect the expectations herein expressed, and, to the best of my knowledge and belief, the County's expectations are reasonable. I further represent that the County expects and intends to be able to comply with the provisions and procedures set forth herein, including Section 148 of the Code.

**IN WITNESS WHEREOF**, I have hereunto set my hand as of this 25th day of May, 2004.

**NASSAU COUNTY, FLORIDA**

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Clerk of the Circuit Court and Ex Officio  
Clerk of the Board of County Commissioners  
of Nassau County, Florida



## EXHIBIT A

### ARBITRAGE REBATE STATEMENT

This Arbitrage Rebate Statement is intended to set forth certain duties and requirements necessary for compliance with Section 148(f) of the Code to the extent necessary to preserve the tax exempt treatment of interest on the Bonds. This Statement is based upon Section 148(f) of the Code and, by analogy, to the Regulations. However, it is not intended to be exhaustive.

Since the requirements of such Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify this Statement from time to time to reflect any additional or different requirements of such Section and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bonds.

For purposes hereof, any covenant relating to a fund, account or subaccount established under the Resolution shall be deemed to apply only to that portion of such fund, account or subaccount allocable to the Bonds.

**SECTION 1. TAX COVENANTS.** Pursuant to the Resolution, the County has made certain covenants designed to assure that the interest with respect to the Bonds is and shall remain excludable from gross income for purposes of federal income taxation. The County shall not, directly or indirectly, use or permit the use of any proceeds of the Bonds or any other funds or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or that would cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The County shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be excludable from gross income for purposes of federal income taxation. To that end, the County shall comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds.

**SECTION 2. DEFINITIONS.** Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Resolution and in the County's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds, as appropriate.

**"Bond Counsel"** means Nabors, Giblin & Nickerson, P.A., or such other firm of nationally recognized bond counsel as may be selected by the County.

**"Bond Year"** means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date; provided, however, that the County may select any other day as the end of a Bond Year if such selection is made prior to the earlier of the final maturity date of the Bonds or the fifth anniversary of the Issue Date.

**"Computation Date"** means any date selected by the County as a Computation Date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

**"Code"** means the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations proposed or promulgated thereunder.

**"Fair Market Value"** means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

**"Final Computation Date"** means the date the Bonds are discharged.

**"Gross Proceeds"** means, with respect to the Bonds:

- (1) Amounts constituting Sale Proceeds of the Bonds.
- (2) Amounts constituting Investment Proceeds of the Bonds.
- (3) Amounts constituting Transferred Proceeds of the Bonds.
- (4) Other amounts constituting Replacement Proceeds of the Bonds, including Pledged Moneys.

**"Investment Proceeds"** means any amounts actually or constructively received from investing proceeds of the Bonds.

**"Investment Property"** means any security or obligation held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

**"Issue Date"** means May 25, 2004.

**"Net Proceeds"** means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

**"Nonpurpose Investment"** shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

**"Nonpurpose Payments"** shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

**"Nonpurpose Receipts"** shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

**"Pledged Moneys"** means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) if the County encounters financial difficulties.

**"Pre-Issuance Accrued Interest"** means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

**"Proceeds"** means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

**"Qualified Administrative Costs"** means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. For a guaranteed investment contract, a broker's commission paid on behalf of either an issuer or the provider is not a Qualified Administrative Cost to the extent that the present value of the commission, as of the date the contract is allocated to the bonds, exceeds the present value of annual payments equal to 0.5 percent of the weighted average amount reasonably expected to be invested each year of the term of the contract. For this purpose, present value is computed using the taxable discount rate used by the parties to compute the commission or, if not readily ascertainable, a reasonable taxable discount rate.

**"Rebatable Arbitrage"** means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

**"Rebate Account"** means the Rebate Account established pursuant to the Resolution and described in Section 3 hereof.

**"Regulations"** means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

**"Replacement Proceeds"** means amounts that have a sufficiently direct nexus to the Bonds or the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bonds, if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

**"Sale Proceeds"** means any amounts actually or constructively received by the County from the sale of the Bonds, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

**"Tax-Exempt Investment"** means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of this Rebate Statement, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax-exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax-exempt obligations or (2) the weighted average value of its assets represented by investments in tax-exempt obligations.

**"Transferred Proceeds"** shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

**"Universal Cap"** means the Value of all then outstanding Bonds.

**"Value" (of a Bond)** means, with respect to a Bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

**"Value" (of an Investment)** shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of

the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that:

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

**"Yield on the Bonds" or "Bond Yield"** means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

(i) using as the purchase price of the Bonds, the amount at which such Bonds were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that all of the Bonds will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

**"Yield"** means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for a qualified guarantee paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded semi-annually. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of this Statement, as of the date that it becomes allocated to Gross Proceeds of the Bonds.

### **SECTION 3. REBATE REQUIREMENTS.**

(a) The County shall pay to the United States Government at the times and in the amounts determined hereunder the Rebatable Arbitrage. For purposes of determining the Rebatable Arbitrage, the County shall cause the calculations described below to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Treasury Regulations relating to arbitrage rebate.

(b) Pursuant to the Resolution, there has been established a fund separate from any other fund or account established and maintained under the Resolution designated the Rebate Fund. The County or its designated agent shall administer the Rebate Account continuously invest all amounts held in the Rebate Account in Authorized Investments (as defined in the Resolution)

consisting of securities guaranteed by the United States of America or a fund investing solely in such securities, or Tax-Exempt Investments.

(c) Within thirty (30) days after any Computation Date, the County shall calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than sixty (60) days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the County shall remit an amount which when added to the future value of previous rebate payments shall not be less than ninety percent (90%) (one hundred percent (100%) with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebatable Arbitrage or one hundred percent (100%) of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

Each payment shall be accompanied by Form 8038-T and, until such Forms are modified to reflect the payment of penalty payments, such Form shall conform to the requirements set forth in IRS Revenue Procedure 92-22 if the subject payment constitutes a penalty payment described in Section 3(f) hereof.

(d) The obligation to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if Gross Proceeds are expended for the governmental purpose of the Bonds by no later than the date which is six (6) months after the Issue Date and if it is not anticipated that any other Proceeds will arise during the remainder of the term of the Bonds. For purposes described above, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f), of the Regulations, (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six (6) months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, Rebatable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six (6) months after the Issue Date, then the requirements described herein relating to the calculation of Rebatable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial 6-month period. Any other amounts not described in this Section 3(d) which constitute Gross Proceeds, other than a bona fide debt service fund, will be subject to rebate.

(e) As an alternative to paragraph (d) above, the obligation of the County to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with

respect to the Bonds if the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

- (i) at least fifteen percent (15%) of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;
- (ii) at least sixty percent (60%) of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and
- (iii) at least one hundred percent (100%) of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (e), one hundred percent (100%) of the Gross Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding five percent (5%) of the Net Proceeds of the Bonds). If Gross Proceeds are in fact expended by such dates, then Rebatable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the County exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the Bonds or \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (e), "Gross Proceeds" shall be modified as described in paragraph (d) above.

(f) As an alternative to paragraphs (d) and (e) above, the obligation to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

- (i) at least ten percent (10%) of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;
- (ii) at least forty-five percent (45%) of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;
- (iii) at least seventy-five percent (75%) of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and
- (iv) at least one hundred percent (100%) of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this paragraph (f), the term Available Construction Proceeds means the Net Proceeds of the Bonds, increased by earnings on the Net Proceeds and earnings on all of the foregoing earnings, and reduced by any amounts used to pay issuance costs (including bond insurance premiums).

As set forth in Section 148(f)(4)(B)(iv)(III) of the Code, for purposes of the expenditure requirements set forth in this paragraph (f), one hundred percent (100%) of the Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding five percent (5%) of the Net Proceeds of the Bonds). Any failure to satisfy the final spending requirement shall be disregarded if the County exercises due diligence to complete the project financed and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price of the issuer or \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the County fails to meet the expenditure requirements referred to above, the County may elect to pay, in lieu of the Rebtable Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5 percent of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect thereto) are no longer outstanding. The County makes no election in regard to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebtable Arbitrage to the United States pursuant to this paragraph (f), at least seventy-five percent (75%) of the Available Construction Proceeds of the Bonds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the County, be treated as separate issues for purposes of this Section 3(f) (although the remaining portion may not be entitled to the benefits of Section 3(d) hereof). The County does not elect to treat any portion of the Bonds as a separate issue for purposes of this section.

(g) The County shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the County or its consultants to make the calculations for payment of Rebtable Arbitrage as required by this Statement. The records required to be maintained under this Section 3(g) shall be retained by the County until six (6) years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may, by regulations, otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its



purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

**SECTION 4. MARKET PRICE RULES.** Except as provided below, the County agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations. All investments required to be made pursuant to this Statement shall be made to the extent permitted by law. In this regard, the County agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Fund), for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in a bona fide arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Arm's-length price for investment contracts. In the case of an investment contract, the purchase price of the investment contract shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) At least three bids on the investment contract are received from reasonably competitive providers (of investment contracts) that have no material financial interest in the Bonds.

(ii) The County purchases the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable

guaranteed investment contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the County's reasonably expected draw-down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) the obligor on the guaranteed investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

Certificates in substantially the form of subparagraph (v) and (vi) above must be obtained to evidence the foregoing.

#### **SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION.**

Notwithstanding any provision of this Statement, if the County shall receive an opinion of Bond Counsel that any specified action required under this Statement is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the County may conclusively rely on such opinion in complying with the requirements of this Statement and the covenants herein shall be deemed to be modified to that extent. This Statement shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

**SECTION 6. ACCOUNTING FOR GROSS PROCEEDS.** In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the County must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the County agrees to comply.

**SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS.** Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs.

General overhead costs and similar indirect costs of the County such as employee salaries and office expenses and costs associated with computing Rebatale Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

**ALLOCATION AND ACCOUNTING RULES**

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and

ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; of (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principal that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding Bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working

capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

**ISSUER'S GENERAL CERTIFICATE**

The undersigned, Floyd L. Vanzant, Chairman of the Board of County Commissioners of Nassau County, Florida (the "County"), hereby certifies as follows:

1. Resolution No. 2004-79 of the Board of County Commissioners of the County has been adopted and is in full force and effect.

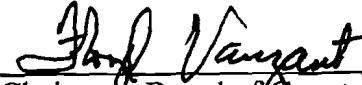
2. Ordinance No. 2000-37 of the Board of County Commissioners of the County has been enacted and is in full force and effect.

3. Resolution Nos. 2003-109 and 2003-141 of the Board of County Commissioners of the County have been adopted and are in full force and effect.

4. The County has never been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued by the County.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.

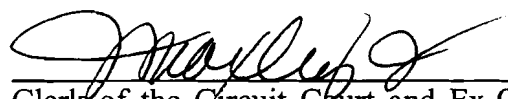
(SEAL)

  
\_\_\_\_\_  
Chairman, Board of County Commissioners  
of Nassau County, Florida

**CERTIFICATE AS TO SPECIMEN BOND**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that attached hereto as Exhibit A is a specimen of the County's Special Assessment Bond, Series 2004 (the "Bond"), which specimen is identical in all respects, except as to registered holder, date of authentication, principal amount and number, with the Bonds this day delivered to the initial purchaser thereof.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 25th day of May, 2004.

  
Clerk of the Circuit Court and Ex-Officio  
Clerk of the Board of County Commissioners  
of Nassau County, Florida



**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
NASSAU COUNTY, FLORIDA  
SPECIAL ASSESSMENT BOND  
SERIES 2004**

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

**SIX MILLION FOUR HUNDRED EIGHTY-SEVEN THOUSAND  
THREE HUNDRED SEVENTY-TWO DOLLARS AND SEVENTEEN CENTS**

solely from the Pledged Revenues (hereinafter defined) and to pay interest on the unpaid balance thereof from the date hereof. Interest shall be payable on the dates set forth below, at an annual rate equal to 4.3% per annum, computed based on the basis of a 360-day year comprised of twelve 30-day months. The principal of this Bond shall be payable on October 1, 2005 and annually thereafter in the amounts set forth below on October 1 of each year, through and including October 1, 2014:

<u>Year</u>	<u>Amount</u>
2005	\$532,866.92
2006	555,780.20
2007	579,678.75
2008	604,604.93
2009	630,602.95
2010	657,718.87
2011	686,000.79
2012	715,498.82
2013	746,265.27
2014	778,354.67

Interest shall be paid on each April 1 and October 1, commencing October 1, 2005, in an amount equal to the interest accrued and unpaid to such date. The interest rate on this Bond is subject to

adjustment upon a Determination of Taxability (as defined in the Resolution) and certain other events affecting the tax status of the Issuer and the registered owner hereof, all as set forth in the Resolution defined below.

Both principal of and interest on this Bond are payable in lawful money of the United States of America by check or draft of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer to the owner of record as such owner shall appear in the registration books of the Issuer on the 15th day of the month prior to such payment date. The final payment of principal of and interest on the Bonds shall be payable, upon presentation, at the office of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer. Notwithstanding the foregoing, as long as one person or entity is the owner of this Bond, all payments of principal of and interest hereon, including the final payment thereof, shall be made by wire transfer to the account specified by the owner in writing to the Clerk. If a payment date for this Bond is not a business day, such payment date shall be the next succeeding business day; provided, that interest shall accrue to the date of payment.

This Bond is issued for the principal purpose of providing moneys to acquire and construct various road and ancillary improvements within the 2004 Assessment Area (as specified and defined in the Resolution) of the Issuer (the "2004 Project"), under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, the Issuer's Ordinance No. 2000-37 duly enacted by the Board of County Commissioners of the Issuer on September 25, 2000, as amended and supplemented, and other applicable provisions of law (the "Act") and a resolution adopted May 24, 2004, as amended and supplemented (the "Resolution") and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable from and secured by a lien upon and a pledge of (1) proceeds of special assessments levied, collected and received by the Issuer upon property in the Assessment Area benefitted by the 2004 Project within Nassau County, Florida, as more particularly described in the Resolution, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Revenues").

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer or the 2004 Project, but shall constitute a lien only on, and shall be payable from, the Pledged Revenues.

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

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the principal office of the Clerk by the registered owner hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Clerk duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The 2004 Bonds are issuable in fully registered form in the denomination equal to the outstanding principal amount thereof. The Issuer and any paying agent may treat the registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds are subject to redemption prior to their stated date of maturity, in whole or in part at any time upon 10 days prior written notice to the registered owners thereof and are subject to mandatory redemption upon a rate adjustment which would cause the rate of interest on the Bonds to exceed the maximum rate allowed by Section 215.84, Florida Statutes, as described in the Resolution.

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

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

**IN WITNESS WHEREOF**, the Board of County Commissioners of Nassau County, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chairman, its official seal or a facsimile thereof to be affixed or reproduced hereon, and countersigned and attested to by the manual or facsimile signature of its Clerk, all as of the 25<sup>th</sup> day of May, 2004.

**NASSAU COUNTY, FLORIDA**

(SEAL)

  
Chairman

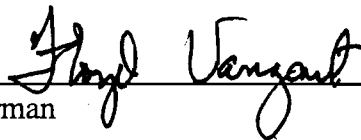
ATTESTED AND COUNTERSIGNED:

  
Clerk

**VALIDATION CERTIFICATE**

This Bond is one of a series of Bonds which were validated by judgment of the Fourth Judicial Circuit Court of Florida in and for Nassau County, rendered on April 1, 2004.

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

  
Chairman

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
Insert Social Security or Other Identifying Number of Assignee

\_\_\_\_\_  
(Name and Address of Assignee)

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

Dated: \_\_\_\_\_

Signature guaranteed:

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

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

[illegible]

**COUNTY'S CERTIFICATE AS TO DELIVERY AND PAYMENT**

I, J. M. "Chip" Oxley, Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"), **DO HEREBY CERTIFY** that on the date hereof I caused to be delivered to SunTrust Bank (the "Purchaser"), the obligations of the County described in Schedule A attached hereto, and received on this date from the Purchaser in full payment therefor, the sum of \$6,487,372.17. The undersigned does hereby acknowledge that SunTrust Bank is the registered owner of such obligations on the registration books of the County as of the date hereof.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the County this 25th day of May, 2004.



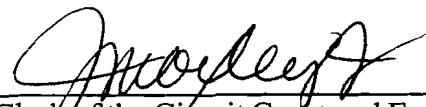
Clerk of the Circuit Court and Ex-Officio  
Clerk of the Board of County Commissioners  
of Nassau County, Florida

**CERTIFICATE AS TO NO PRIOR PLEDGE**

I, J. M. "Chip" Oxley, the undersigned Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "County"),

**DO HEREBY CERTIFY** that the Pledged Revenues (as defined in Resolution No. 2004-79 of the County) pledged by the County to the payment of the principal of and interest on the obligations of the County described in Schedule A attached hereto (the "Bond") are not pledged, in whole or in part, directly or indirectly, for the benefit of any other obligations of the County which are currently outstanding.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 25th day of May, 2004.



Clerk of the Circuit Court and Ex-Officio Clerk of  
the Board of County Commissioners of Nassau  
County, Florida




**PASSED AND ADOPTED** by the Board of County Commissioners of Nassau County,  
Florida this 24<sup>th</sup> day of May, 2004.

**B O A R D   O F   C O U N T Y  
C O M M I S S I O N E R S N A S S A U C O U N T Y,  
F L O R I D A**

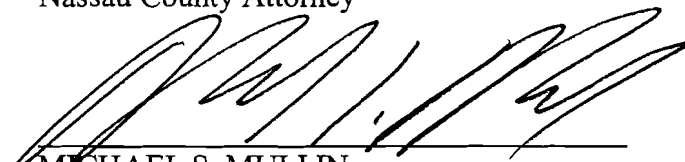
(SEAL)

  
\_\_\_\_\_  
FLOYD L. VANZANT  
Its: Chairman

ATTEST:

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

Approved as to form by the  
Nassau County Attorney

  
\_\_\_\_\_  
MICHAEL S. MULLIN

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)

► See separate Instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

**Part I Reporting Authority** If Amended Return, check here ☐

1 Issuer's name <b>Nassau County, Florida</b>	2 Issuer's employer identification number <b>59 : 1863042</b>	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>P.O. Box 456</b>	Room/suite	4 Report number <b>3</b>
5 City, town, or post office, state, and ZIP code <b>Fernandina Beach, Florida 32035</b>	6 Date of issue <b>May 25, 2004</b>	
7 Name of issue <b>Nassau County, Florida Special Assessment Bond, Series 2004</b>	8 CUSIP number <b>N/A</b>	
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Mark T. Mustian (Bond Counsel)</b>	10 Telephone number of officer or legal representative <b>( 850 ) 224-4070</b>	

**Part II Type of Issue (check applicable box(es) and enter the issue price)** See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input checked="" type="checkbox"/> Transportation	13 <b>6,487,372.17</b>
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ►	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

**Part III Description of Obligations.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<b>10/1/2014</b>	<b>\$ 6,487,372.17</b>	<b>\$ 6,487,372.17</b>	<b>6.196</b> years	<b>4.300902 %</b>

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

22 Proceeds used for accrued interest	22	<b>0.00</b>
23 Issue price of entire issue (enter amount from line 21, column (b))	23	<b>6,487,372.17</b>
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	<b>53,000.00</b>
25 Proceeds used for credit enhancement	25	<b>0.00</b>
26 Proceeds allocated to reasonably required reserve or replacement fund	26	<b>648,737.22</b>
27 Proceeds used to currently refund prior issues	27	<b>0.00</b>
28 Proceeds used to advance refund prior issues	28	<b>0.00</b>
29 Total (add lines 24 through 28)	29	<b>801,737.22</b>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	<b>5,685,634.95</b>

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

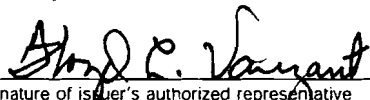
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	<b>N/A</b> years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	<b>N/A</b> years
33 Enter the last date on which the refunded bonds will be called	<b>N/A</b>
34 Enter the date(s) the refunded bonds were issued	<b>N/A</b>

**Part VI Miscellaneous**

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
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
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 designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 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.

Sign Here

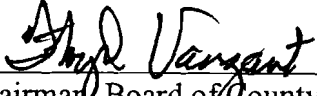
  
Signature of issuer's authorized representative

Date

See Attached Signature Page

Type or print name and title

**IN WITNESS WHEREOF**, I have hereunto set my hand this 25<sup>th</sup> day of May 2004.

  
\_\_\_\_\_  
Chairman, Board of County Commissioners  
of Nassau County, Florida

STATE OF FLORIDA  
DIVISION OF BOND FINANCE  
LOCAL BOND MONITORING SECTION

1.15

This form represents an update and compilation of the BF2003, BF2004-A and BF2004-B forms.

\*Bond information forms (BF2003) are required to be completed by local governments pursuant to Chapter 19A-1.003, Florida Administrative Code (F.A.C.).  
\*Bond Disclosure forms BF2004-A (Competitive Sale) or BF2004-B (Negotiated Sale) are required to be filed with the Division within 120 days of the delivery of the issue pursuant to Sections 218.38(1)(b)1 and 218.38(1)(c)1, Florida Statutes (F.S.), respectively.

\*Final Official Statements, if prepared, are required to be submitted pursuant to Section 218.38(1), F.S.

\*Please complete all items applicable to the issuer as provided by the Florida Statutes.

\*PURSUANT TO SECTION 218.369, F.S., ISSUERS OF BOND ANTICIPATION NOTES ARE EXEMPT FROM THESE FILINGS REQUIREMENTS.

**BF2003  
BOND INFORMATION FORM**

**PART I. ISSUER INFORMATION**

1. NAME OF GOVERNMENTAL UNIT: Nassau County, Florida
2. MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER: Post Office Box 456  
Fernandina Beach, Florida 32035-0456
3. COUNTY(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION: Nassau
4. TYPE OF ISSUER: ☒ COUNTY ☐ CITY ☐ AUTHORITY ☐ INDEPENDENT SPECIAL DISTRICT  
☐ DEPENDENT SPECIAL DISTRICT SPECIFY OTHER \_\_\_\_\_

**PART II. BOND ISSUE INFORMATION**

1. NAME OF BOND ISSUE: Special Assessment Bond, Series 2004
2. AMOUNT ISSUE: \$ 6,487,372.17
3. AMOUNT AUTHORIZED: \$ 6,487,372.17
4. DATED DATE: May 25, 2004 5. SALE DATE: May 25, 2004 6. DELIVERY DATE: May 25, 2004
7. LEGAL AUTHORITY FOR ISSUANCE: FLORIDA STATUTES Chapter 125  
SPECIAL ACTS \_\_\_\_\_  
OTHER Ordinance 2000-37 of the County
8. TYPE OF ISSUE: ☐ GENERAL OBLIGATION ☒ SPECIAL ASSESSMENT ☐ SPECIAL OBLIGATION  
☐ REVENUE ☐ COP (CERTIFICATE OF PARTICIPATION) ☐ LEASE-PURCHASE ☐ BANK LOAN/LINE OF CREDIT
9. A. IS THIS A PRIVATE ACTIVITY BOND (PAB)? ☐ YES ☒ NO  
B. 1. IF YES, DID THIS ISSUE RECEIVE A PAB ALLOCATION? ☐ YES ☐ NO  
2. IF YES, AMOUNT OF ALLOCATION: \$ \_\_\_\_\_
10. SPECIFIC REVENUE(S) PLEDGED:  
(1) PRIMARY Special Assessment proceeds  
(2) SECONDARY \_\_\_\_\_  
(3) OTHER(S) \_\_\_\_\_

11. A. PURPOSE(S) OF THE ISSUE:
- (1) PRIMARY Acquire and construct road and ancillary improvements within Assessment area
- (2) SECONDARY \_\_\_\_\_
- (3) OTHER(S) \_\_\_\_\_
- B. IF PURPOSE IS REFUNDING, COMPLETE THE FOLLOWING:
- (1) FOR EACH ISSUE REFUNDED LIST: NAME OF ISSUE, DATED DATE, ORIGINAL PAR VALUE (PRINCIPAL AMOUNT) OF ISSUE, AND AMOUNT OF PAR VALUE (PRINCIPAL AMOUNT) REFUNDED.  
Not applicable
- (2) REFUNDED DEBT HAS BEEN: \_\_\_\_\_ RETIRED OR \_\_\_\_\_ DEFEASED
- (3) A. DID THE REFUNDING ISSUE CONTAINED NEW MONEY? \_\_\_\_\_ YES \_\_\_\_\_ NO
- B. IF YES, APPROXIMATELY WHAT PERCENTAGE OF PROCEEDS IS NEW MONEY? \_\_\_\_\_%
12. TYPE OF SALE: \_\_\_\_\_ COMPETITIVE BID \_\_\_\_\_ NEGOTIATED X NEGOTIATED PRIVATE PLACEMENT
13. BASIS OF INTEREST RATE CALCULATION, I.E., INTEREST RATE USED TO STRUCTURE THE BOND ISSUE:  
 NET INTEREST COST RATE (NIC) \_\_\_\_\_% TRUE INTEREST COST RATE (TIC) \_\_\_\_\_%  
 CANADIAN INTEREST COST RATE (CIC) \_\_\_\_\_% ARBITRAGE YIELD (ARBI) \_\_\_\_\_%  
 SPECIFY OTHER: Stated interest rate - 4.3%
14. INSURANCE/ENHANCEMENTS: \_\_\_\_\_ AGIC \_\_\_\_\_ AMBAC \_\_\_\_\_ CGIC \_\_\_\_\_ CLIC \_\_\_\_\_ FGIC \_\_\_\_\_ FSA  
 \_\_\_\_\_ HUD \_\_\_\_\_ MBIA \_\_\_\_\_ NGM \_\_\_\_\_ LOC (LETTER OF CREDIT) SPECIFY OTHER \_\_\_\_\_  
X NOT INSURED
15. RATING(S): \_\_\_\_\_ MOODY'S \_\_\_\_\_ S&P \_\_\_\_\_ FITCH \_\_\_\_\_ DUFF & PHELPS SPECIFY OTHER \_\_\_\_\_  
X NOT RATED
16. DEBT SERVICE SCHEDULE: ATTACH COMPLETE COPY OF SCHEDULE PROVIDING THE FOLLOWING INFORMATION:  
 MATURITY DATES (MO/DAY/YR)  
 COUPON/INTEREST RATES  
 ANNUAL INTEREST PAYMENTS  
 PRINCIPAL (PAR VALUE) PAYMENTS  
 MANDATORY TERM AMORTIZATION
17. LIST OR ATTACH OPTIONAL REDEMPTION PROVISIONS: The Bonds are subject to optional redemption prior to their stated date of maturity at any time at a price of par plus accrued interest.
18. PROVIDE THE NAME AND ADDRESS OF THE SENIOR MANAGING UNDERWRITER OR SOLE PURCHASER.  
SunTrust Bank
19. PROVIDE THE NAME(S) AND ADDRESS(ES) OF ANY ATTORNEY OR FINANCIAL CONSULTANT WHO ADVISED THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE.

☐ NO BOND COUNSEL      ☐ NO FINANCIAL ADVISOR      ☐ NO OTHER PROFESSIONALS

BOND COUNSEL(S):

Nabors, Giblin & Nickerson, P.A.

2502 Rocky Point Drive, Suite 1060

Tampa, Florida 33607

FINANCIAL ADVISOR(S)/CONSULTANT(S):

RBC Dain Rauscher

One Independent Drive, Suite 3204

Jacksonville, Florida 32302-5019

OTHER PROFESSIONALS:

20. PAYING AGENT (County Clerk) ☐ NO PAYING AGENT
21. REGISTRAR (County Clerk) ☐ NO REGISTRAR
22. COMMENTS: \_\_\_\_\_

**PART III. RESPONDENT INFORMATION**

FOR ADDITIONAL INFORMATION, THE DIVISION SHOULD CONTACT:

Name and Title Mark T. Mustian Phone (850) 224-4070

Company Nabors, Giblin & Nickerson, P.A.

INFORMATION RELATING TO PARTY COMPLETING THIS FORM (if different from above):

Name and Title \_\_\_\_\_ Phone \_\_\_\_\_

Company \_\_\_\_\_

Date Report Submitted \_\_\_\_\_

**BF2004-A and BF2004-B**

NOTE: THE FOLLOWING ITEMS ARE REQUIRED TO BE COMPLETED IN FULL FOR ALL BOND ISSUES *EXCEPT* THOSE SOLD PURSUANT TO SECTION 154 PART III; SECTIONS 159 PARTS II, III OR V; OR SECTION 243 PART II, FLORIDA STATUTES.

23. ANY FEE, BONUS, OR GRATUITY PAID BY ANY UNDERWRITER OR FINANCIAL CONSULTANT, IN CONNECTION WITH THE BOND ISSUE, TO ANY PERSON NOT REGULARLY EMPLOYED OR ENGAGED BY SUCH UNDERWRITER OR CONSULTANT:

☒ NO FEE, BONUS OR GRATUITY PAID BY UNDERWRITER OR FINANCIAL CONSULTANT

- (1) COMPANY NAME \_\_\_\_\_
- FEE PAID: \$ \_\_\_\_\_ SERVICE PROVIDED or FUNCTION SERVED: \_\_\_\_\_

(2) COMPANY NAME \_\_\_\_\_

FEE PAID: \$ \_\_\_\_\_ SERVICE PROVIDED or FUNCTION SERVED: \_\_\_\_\_

(3) COMPANY NAME \_\_\_\_\_

FEE PAID: \$ \_\_\_\_\_ SERVICE PROVIDED or FUNCTION SERVED: \_\_\_\_\_

24. ANY OTHER FEES PAID BY THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OR FINANCIAL CONSULTANTS:

   NO FEES PAID BY ISSUER

(1) COMPANY NAME Nabors, Giblin & Nickerson, P.A.

FEE PAID: \$ 25,000 SERVICE PROVIDED or FUNCTION SERVED: Bond Counsel

(2) COMPANY NAME RBC Dain Rauscher.

FEE PAID: \$ 25,000 SERVICE PROVIDED or FUNCTION SERVED: Financial Advisor

(3) COMPANY NAME Rogers Towers

FEE PAID: \$ 3,000 SERVICE PROVIDED or FUNCTION SERVED: Bank Counsel

(4) COMPANY NAME \_\_\_\_\_

FEE PAID: \$ \_\_\_\_\_ SERVICE PROVIDED or FUNCTION SERVED: \_\_\_\_\_

PLEASE PROVIDE THE SIGNATURE OF EITHER THE CHIEF EXECUTIVE OFFICER OF THE GOVERNING BODY OF THE UNIT OF LOCAL GOVERNMENT OR THE GOVERNMENTAL OFFICER PRIMARILY RESPONSIBLE FOR COORDINATING THE ISSUANCE OF THE BONDS:

NAME (Typed/Printed): Floyd L. Vanzant

SIGNATURE: 

TITLE: Chairman 

DATE: May 25, 2004

**BF2004-B**

**ITEMS 25 AND 26 MUST BE COMPLETED FOR ALL BONDS SOLD BY NEGOTIATED SALE**

25. MANAGEMENT FEE CHARGED BY UNDERWRITER: \$ \_\_\_\_\_ PER THOUSAND PAR VALUE  
OR  
PRIVATE PLACEMENT FEE: \$ \_\_\_\_\_

  X   NO MANAGEMENT FEE OR PRIVATE PLACEMENT FEE

26. UNDERWRITER'S EXPECTED GROSS SPREAD: \$ \_\_\_\_\_ PER THOUSAND PAR VALUE

  X   NO GROSS SPREAD

**PART IV. RETURN THIS FORM AND THE FINAL OFFICIAL STATEMENT, IF ONE WAS PREPARED, TO:**

**Courier Deliveries:**

Division of Bond Finance  
State Board of Administration  
1801 Hermitage Blvd., Suite 200  
Tallahassee, FL 32308

**Mailing Address:** Division of Bond Finance  
State Board of Administration  
P.O. Drawer 13300  
Tallahassee, FL 32317-3300

Phone: 904/488-4782

FAX: 904/413-1315

REVISED Feb. 1996/bf0304/

## SCHEDULE I

<u>MATURITY DATE</u> <u>(MO/DAY/YR)</u>	<u>COUPON/</u> <u>INTEREST RATES</u>	<u>ANNUAL</u> <u>INTEREST PAYMENTS</u>	<u>PRINCIPAL</u> <u>PAYMENTS</u>
10/1/2004	4.30%	\$ 97,634.95	
10/1/2005	4.30	278,957.00	\$532,866.92
10/1/2006	4.30	256,043.72	555,780.20
10/1/2007	4.30	232,145.18	579,678.75
10/1/2008	4.30	207,219.00	604,604.93
10/1/2009	4.30	181,220.98	630,602.95
10/1/2010	4.30	154,105.06	657,718.87
10/1/2011	4.30	125,823.14	686,000.79
10/1/2012	4.30	96,325.10	715,498.82
10/1/2013	4.30	65,558.66	746,265.27
10/1/2014	4.30	33,469.26	778,354.67



the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), other than \$3,000 paid to our counsel, Rogers Towers, P.A.

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

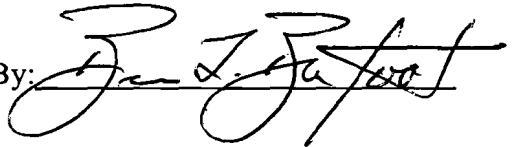
(g) The Issuer is proposing to issue \$6,487,372.17 of debt or obligation for the purposes described in the Issuer's Bond Resolution adopted May 24, 2004. This debt or obligation is expected to be repaid over a period of 10 years. At an approximate forecasted average interest rate of 4.3%, total interest paid over the life of the debt or obligation will be \$1,728,502.05. The foregoing is for information purposes only and does not supersede or amend the terms of the Bonds.

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

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

Very truly yours,

**SUNTRUST BANK**

By: 

May 25, 2004

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

Re: Nassau County, Florida  
Special Assessment Bond, Series 2004

Commissioners:

In connection with the proposed issuance by Nassau County, Florida (the "Issuer") of its \$6,487,372.17 Special Assessment Bond, Series 2004 (the "Bond"), SunTrust Bank (the "Purchaser") has committed to purchase the Bonds.

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

- (a) The Purchaser has not incurred any expenses in connection with the purchase of the Bonds.
- (b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Purchaser, for the purpose of influencing any transaction in the purchase of the Bonds.
- (c) The Bonds will be purchased at par; consequently, there is no underwriting spread.
- (d) No management fee will be paid.
- (e) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Bonds to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes).
- (f) No other dealer firms were associated for the purpose of underwriting the Bonds.