

RESOLUTION NO. 88-28

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AUTHORIZING THE CONSTRUCTION OF CERTAIN ROAD IMPROVEMENTS IN THE COUNTY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$12,000,000 OPTIONAL GAS TAX REVENUE BONDS, SERIES 1988, OF THE COUNTY TO FINANCE THE COST THEREOF; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM THE SIX CENT OPTIONAL GAS TAX IMPOSED BY THE COUNTY, AND CERTAIN OTHER FUNDS DESCRIBED IN THE RESOLUTION; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

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

ARTICLE I

AUTHORITY, DEFINITIONS AND FINDINGS

SECTION 1.01 AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Section 336.025(1)(e), Florida Statutes, and other applicable provisions of law.

SECTION 1.02 DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Words importing the singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. "Accountant" shall mean the independent certified public accountant or firm of certified public accountants at the time employed by the Issuer under the provisions of this Resolution to perform and carry out the duties imposed on the Accountant by this Resolution.

B. "Act" shall mean, collectively, Section 336.025(1)(e), Florida Statutes, and other applicable provisions of law.

C. "Additional Parity Bonds" shall mean additional obligations of the Issuer which have an equal lien on the Gas Tax Revenues and rank equally in all respects with the Bonds initially issued hereunder.

D. "Amortization Installment" with respect to any

Current Interest Paying Bonds of a series, shall mean an amount so designated which is established for the Current Interest Paying Term Bonds of such series; provided, that (1) each such installment shall be deemed to be due on such interest or principal maturity date of each applicable year as is fixed by subsequent resolution of the Board, and (2) the aggregate of such installments for such series shall equal the aggregate principal amount of Current Interest Paying Term Bonds of such series authenticated and delivered on original issuance; and with respect to any Term Bonds of a series issued as Capital Appreciation Bonds, shall mean the Compounded Amounts so designated by subsequent resolution of the Board; provided, that each such installment shall be deemed to be due on such date of each applicable year as is fixed by subsequent resolution of the Board.

E. "Authorized Investments" shall mean any of the following if and to the extent the same are at the time legal for investment of county funds:

(1) Government Obligations which are held in a custody or trust account by a bank or savings and loan association which is either (1) a "qualified public depository" under the laws of the State of Florida or (2) has capital, surplus and undivided profits of not less than \$50,000,000, and which is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as applicable;

(2) bonds, debentures, notes, participation certificates or other evidences of indebtedness payable in cash issued, or the principal of and interest on which are unconditionally guaranteed, by the following federal agencies whose obligations represent the full faith and credit of the United States of America: Federal Home Loan Bank System, the Export-Import Bank of the United States, the Federal Financing Bank, the Government National Mortgage Association, the Farmers Home Administration, the Federal Housing Administration or the Maritime Administration.

(3) time and demand deposits in any commercial bank or

savings and loan association which is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and is a "qualified public depository" under the laws of the State of Florida;

(4) repurchase agreements fully and continuously secured by Government Obligations, with any bank, trust company, national banking association or savings and loan association which is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as applicable, and is a "qualified public depository" under the laws of the State of Florida; or with any registered government bond broker/dealer which is subject to the jurisdiction of the Securities Investors' Protection Corporation; provided, (a) such Government Obligations are held by the Issuer or a third party which is (i) a Federal Reserve Bank, (ii) a bank or savings and loan association which is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as applicable, and is a "qualified public depository" under the laws of the State of Florida, or (iii) a bank or savings and loan association approved in writing for such purpose by the municipal bond insurer, if applicable; and the Issuer shall have received written confirmation from the third party that it holds such Government Obligations; and (b) a perfected first security interest in or title to such Government Obligations is created or obtained for the benefit of the Issuer;

(5) shares in a money market or other fund, the investments of which are exclusively in Government Obligations; or

(6) any other agreements for the investment of money between the Issuer and a bank, trust company, national banking association or corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association, or any corporation, including insurance companies, (a) whose unsecured obligations or uncollateralized long term debt obliga-

tions have been assigned ratings by Standard & Poor's Corporation, New York, New York ("S&P"), and Moody's Investors Service, New York, New York ("Moody's"), which are equal to or higher than the ratings initially assigned by S&P and Moody's to the Bonds, or (b) which has issued a letter of credit contract, agreement or surety bond in support of debt obligations which have been so rated.

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

G. "Bond Registrar" shall mean the officer of the Issuer or such bank or trust company, located within or without the State of Florida, who or which shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Bonds, and who or which also may be the paying agent for the Bonds and interest thereon.

H. "Bonds" shall mean the Optional Gas Tax Revenue Bonds, Series 1988, herein authorized to be issued, together with any Additional Parity Bonds hereafter issued under the terms, conditions and limitations contained herein.

I. "Bond Year" shall mean the one year period ending on a principal maturity or Amortization Installment due date.

J. "Capital Appreciation Bonds" shall mean Bonds as to which interest is compounded periodically on each of the applicable periodic dates designed for compounding and payable in an amount equal to the then current Compounded Amount only at maturity, earlier redemption or other payment date therefor, all as so designated by the County prior to the issuance thereof, and which may be either Serial Bonds or Term Bonds.

K. "Compounded Amounts" with respect to any Capital Appreciation Bonds, shall mean, as of any date of computation with respect to any Capital Appreciation Bonds, an amount equal to the principal amount of such Bonds (the principal amount at their initial offering) plus the interest accrued on such Bonds from the date of original issuance of such Bonds to the interest

66

Payment date next preceding the date of computation or the date of computation, if an interest payment date, such interest to accrue at the rates per annum of the Capital Appreciation Bonds, set forth in the resolution of the Board providing for the sale of such Bonds, compounded on the interest payment dates of each year, plus, with respect to matters related to the payment upon redemption of such Bonds, if such date of computation shall not be an interest payment date, a portion of the difference between the Compounded Amount as of the immediately preceding interest payment date (or the date of original issuance if the date of computation is prior to the first interest payment date succeeding the date of original issuance) and the Compounded Amount as of the immediately succeeding interest payment date, calculated based on the assumption that the Compounded Amount accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

L. "Current Interest Paying Bonds" shall mean the Bonds, the interest on which shall be payable on a semiannual basis.

M. "Debt Service Requirement" for any Bond Year, as applied to the Bonds, shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Current Interest Paying Bonds during such Bond Year, except to the extent that such interest shall have been provided by payments into the Sinking Fund out of Bond proceeds for a specified period of time. The interest due in any ensuing Bond Year on Current Interest Paying Bonds which have a variable rate of interest shall be assumed to be 110% of the greater of (a) the daily average interest rate on such variable rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been outstanding, or (b) the rate of interest on such variable rate Bonds on the date of calculation.

(2) The aggregate amount required to pay the principal

becoming due on Current Interest Paying Bonds for such Bond Year. For purposes of this definition: (a) the stated maturity date of any Current Interest Paying Term Bonds shall be disregarded and the Amortization Installments applicable to such Current Interest Paying Term Bonds in such Bond Year shall be deemed to mature in such Bond Year; and (b) the principal amount of any Current Interest Paying Term Bonds having a single principal maturity and no Amortization Installments therefor shall be calculated as if the amount of such single maturity had been amortized over a term of years and was payable in such payments of principal and interest as shall be set forth in a subsequent resolution of the Board adopted on or prior to the delivery of any such Bonds.

(3) The aggregate amount required to pay the Compounded Amounts due on any Capital Appreciation Bonds maturing in such Bond Year. For purposes of this definition, the stated maturity date of any Capital Appreciation Term Bonds shall be disregarded and the Amortization Installments applicable to such Capital Appreciation Term Bonds in such year shall be deemed to mature in such year.

N. "Federal Securities" shall mean, collectively, (1) Government Obligations; (2) bank certificates of deposit fully secured as to principal and interest by Government Obligations; (3) certificates evidencing ownership of portions of such Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and independently against the obligor on the underlying obligations if such underlying obligations are not available to satisfy any claim against the custodian; or (4) municipal obligations that have been advance refunded, are secured by an escrow within which are held Government Obligations and have been rated in the highest rating category by either Standard & Poor's Corporation or Moody's Investors Service; none of which described in (1), (2), (3) and (4) above permit redemption prior to maturity at the option of the obligor.

O. "Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30, or such other annual period as may be prescribed by law from time to time for the Issuer.

P. "Gas Tax Ordinances" shall mean, collectively, Ordinances Nos. 86-8 and 87-29, as amended, of the Issuer imposing the Gas Tax.

Q. "Gas Tax Revenues" or "Gas Tax" shall mean the proceeds of the six cent optional gas tax upon motor fuel and any other fuel sold in the area of the Issuer and taxed under the provisions of Chapter 206, Florida Statutes; imposed by and distributed monthly to the Issuer in accordance with the provisions of Section 336.025, Florida Statutes.

R. "Government Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

S. "Holder of Bonds" or "Bondholders" or any similar term shall mean any person who shall be the registered owner of any such Bond or Bonds as shown on the registration books of the Issuer maintained by the Bond Registrar.

T. "Issuer" shall mean Nassau County, Florida.

U. "Maximum Debt Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate annual Debt Service Requirements for all series of outstanding Bonds for the then current or any future Bond Year.

V. "Pledged Funds" shall mean, collectively, the Gas Tax Revenues and, to the extent not required to be rebated to the United States Treasury or needed for payment of costs of the Project, all money, securities and instruments held in the Funds and Accounts created and established by this Resolution.

W. "Project" shall mean, collectively, those transportation improvements including, but not limited to, the acquisition, construction or reconstruction of certain roads and bridges, including the acquisition of all property rights, easements and

franchises required to support the improvement of the road system in the area of the Issuer, all in accordance with plans and specifications now on file or to be on file with the Issuer.

X. "Record Date" shall mean the 15th day of the month immediately preceding any interest payment date for the Bonds.

Y. "Resolution" shall mean, collectively, this resolution and all resolutions amendatory hereof or supplemental hereto.

Z. "Serial Bonds" shall mean the Bonds which shall be stated to mature in semiannual or annual installments.

AA. "Term Bonds" shall mean the Bonds which shall be stated to mature on one date and which shall be subject to mandatory redemption by operation of the Bond Amortization Account, or otherwise designated as such by resolution of the Board adopted prior to the delivery thereof.

SECTION 1.03 FINDINGS. It is hereby ascertained, determined and declared that:

A. The Board, in and by its Ordinance No. 86-8, levied a two cent local option gas tax in accordance with the provisions of the Act, effective for a period commencing on September 1, 1986, and ending on August 31, 1991. In addition, the Board, in and by its Ordinance No. 87-29, levied an additional four cent local option gas tax effective for a period commencing on September 1, 1987, and ending on August 31, 1992. On December 30, 1987, the Board enacted ordinances amending the foregoing ordinances by extending imposition of the Gas Tax to the final retirement of any Bonds issued pursuant to this resolution.

B. It is necessary and desirable to construct the Project in accordance with the plans and specifications now on file or to be on file with the Issuer.

C. The Issuer is authorized by the Act to pledge the Pledged Funds to pay the principal of and interest on the Bonds.

D. The estimated cost of such Project, as above described, is the sum of not exceeding \$12,000,000. Such cost,



in addition to the specific items contained in the plans and specifications, may be deemed to include the acquisition of any land or interest therein, or of any fixtures, equipment or properties necessary or convenient therefor; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys; administrative expenses; capitalized interest on the Bonds for a reasonable period after their issuance; establishment of reasonable reserves for debt service; municipal bond insurance premiums, if any; letter of credit issuance expenses, if any; reimbursement to the Issuer of any funds advanced to pay any costs of the Project; and such other bond issuance and other expenses as may be necessary or incidental for the financing authorized by this Resolution, the undertaking of the Project and the placing of the same in operation.

E. The principal of and interest on the Bonds and all required sinking fund, reserve and other payments shall be payable solely from the Pledged Funds. Neither the Issuer nor the State of Florida or any political subdivision thereof or governmental authority or body therein shall ever be required to levy ad valorem taxes to pay the principal of and interest on the Bonds or to make any of the required sinking fund, reserve or other payments required by this Resolution or the Bonds, and such Bonds shall not constitute a lien upon any property owned by or situated within the corporate territory of the Issuer, except as provided herein with respect to the Pledged Funds.

F. The estimated Pledged Funds will be sufficient to pay all principal of and interest on the Bonds to be issued hereunder, as the same become due, and to make all required sinking fund, reserve or other payments required by this Resolution.

SECTION 1.04 RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute

a contract between the Issuer and such Bondholders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF PROJECT AND OF ISSUANCE OF BONDS; DESCRIPTION, DETAILS AND FORM OF BONDS

SECTION 2.01 AUTHORIZATION OF PROJECT. There is hereby authorized the construction of the Project. To the extent the actual cost may be greater or less than the estimated cost of any portions of the Project, such deficiency may be supplied from other funds legally available therefor, and any surplus may be applied to any other portions of the Project. If it be found at the time of the acquisition and/or construction of the Project that the amounts allocated to certain portions of the Project are inadequate for their completion, the Board may, in its discretion, allocate additional amounts to such items from other portions of the Project, and if it be found at the time of the acquisition and/or construction of the Project that less than the amounts allocated to certain portions of the Project are needed for their completion, the Board may, in its discretion, allocate the amounts to be saved to other portions of the Project. If through unusual circumstances or conditions, it is deemed necessary and advisable to modify any portions of the Project described herein, the Board may, in its discretion, make such necessary changes as are permitted by the Act.

SECTION 2.02 AUTHORIZATION OF BONDS. Subject and pursuant to the provisions of this Resolution, obligations of the Issuer to be known as "Optional Gas Tax Revenue Bonds, Series 1988," are hereby authorized to be issued in the aggregate principal amount of not exceeding \$12,000,000.

SECTION 2.03 DESCRIPTION OF BONDS. The Bonds shall be dated, shall be issued in such denominations; shall bear interest at not exceeding the maximum rate authorized by applicable law, payable at such times, shall be subject to redemption prior to their respective stated dates of maturity, and shall mature on such dates and in such years and in such amounts; all as shall be fixed by subsequent resolution of the Board adopted at or prior

to the sale of the Bonds.

The Bonds shall be issued in fully registered form without coupons; shall be issued as Current Interest Paying Bonds or as Capital Appreciation Bonds, and as Serial Bonds or Term Bonds, or a combination thereof; shall be payable with respect to both principal and interest at such bank or banks to be determined by the Issuer prior to the delivery of the Bonds; shall be payable in lawful money of the United States of America; and shall bear interest from their date or dates, payable by mail to the Holders of Current Interest Paying Bonds at their addresses as they appear on the registration books, and to the Holders of Capital Appreciation Bonds upon surrender thereof at maturity or redemption prior to maturity. If a principal maturity date or interest payment date is not on a business day, principal and/or interest on the Bonds shall be paid on the next business day thereafter. If Term Bonds are issued, Amortization Installments therefor may be fixed in the subsequent resolution referred to above. If Capital Appreciation Bonds are issued, Compounded Amounts therefor shall also be fixed in the subsequent resolution referred to above.

Notwithstanding any other provisions of this section, the Issuer may, at its option, prior to the date of issuance of any Bonds, elect to use an immobilization system or pure book-entry system with respect to issuance of the Bonds, provided adequate records will be kept with respect to the ownership of Bonds issued in book-entry form or the beneficial ownership of Bonds issued in the name of a nominee. As long as any Bonds are outstanding in book-entry form, the provisions of Sections 2.04, 2.07 and 2.08 of this Resolution may not be applicable to such book-entry Bonds. The details of any alternative system of Bonds issuance, as described in this paragraph, shall be set forth in a resolution of the Board duly adopted on or prior to the sale of any of the Bonds.

SECTION 2.04 EXECUTION OF BONDS. The Bonds shall be

executed in the name of the Issuer by the Chairman of the Board and countersigned and attested by the Clerk of the Circuit Court, ex officio Clerk of the Board, either manually or with their facsimile signatures, and the corporate seal of the Board or a facsimile thereof shall be affixed thereto or reproduced thereon. The Certificate of Authentication of the Bond Registrar shall appear on the Bonds, and no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Bond. The authorized signature for the Bond Registrar shall be either manual or in facsimile; provided, however, that at least one of the above signatures, including that of the authorized signature for the Bond Registrar, appearing on the Bonds shall at all times be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

If the Bonds are validated by the Circuit Court for Nassau County, Florida, a certification as to validation, in the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman of the Board.

SECTION 2.05 NEGOTIABILITY. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Holder, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of

the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 2.06 REGISTRATION. The Issuer shall, prior to the proposed date of delivery of the Bonds, by resolution of the Board designate the Bond Registrar and, if applicable, paying agent. The Bond Registrar shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds and, if a bank is so designated, in compliance with a written agreement to be executed between the Issuer and such bank as Bond Registrar prior to the delivery date of the Bonds.

Upon surrender to the Bond Registrar for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Holder or his attorney duly authorized in writing, the Bond Registrar shall deliver in the name of the Holder or the transferee or transferees, as the case may be, a new fully registered Bond or Bonds of authorized denominations and of the same maturity and interest rate and for the aggregate principal amount which the Holder is entitled to receive; provided, however, that Current Interest Paying Bonds may only be exchanged for new Current Interest Paying Bonds and Capital Appreciation Bonds may only be exchanged for new Capital Appreciation Bonds.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the Issuer or the Bond Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Issuer or the Bond Registrar, duly executed by the Holder or by his duly authorized attorney.

The Bond Registrar or the Issuer may require payment from the Holder or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any exchange or transfer of the Bonds. Such charges and expenses shall be paid before any new Bond shall be delivered.

Interest on the Current Interest Paying Bonds shall be paid to the Holders whose names appear on the books of the Bond Registrar as of 5:00 p.m. (eastern time) on the Record Date.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Issuer and the Bond Registrar may treat the Holder of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any Bond is registered may be deemed the owner thereof by the Issuer and the Bond Registrar, and any notice to the contrary shall not be binding upon the Issuer or the Bond Registrar.

Notwithstanding the foregoing provisions of this Section 2.06, the Issuer reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules, and regulations of the United States or the State of Florida relating thereto, including, particularly, any provision of such laws, rules and regulations as shall permit the use of unregistered instruments and coupons. The provisions of such instruments and coupons, if applicable, shall be set forth in a subsequent resolution of the Board.

#### SECTION 2.07 DISPOSITION OF BONDS PAID OR REPLACED.

Whenever any Bond shall be delivered to the Bond Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Bond shall, after cancellation, either be retained by the Bond Registrar for a period of time specified in writing by the Issuer, or at the option of the Issuer, shall be destroyed by the Bond Registrar in accordance with the laws of the State of Florida, and counterparts of a certificate of destruction evidencing such destruction

shall be furnished to the Issuer.

SECTION 2.08 BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer, acting through the Bond Registrar, may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing proof of his ownership and the loss thereof (if lost, stolen or destroyed) and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such taxes, governmental charges and other expenses as the Issuer and/or the Bond Registrar may charge and/or incur. All Bonds so surrendered shall be cancelled by the Bond Registrar. If any such Bond shall have matured, will mature or has been called for redemption prior to maturity, within 45 days, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the funds, as hereinafter pledged, to the same extent as all other Bonds issued under this Resolution.

SECTION 2.09 NOTICE OF REDEMPTION. Notice of such redemption shall, at least 30 days prior to the redemption date, be filed with the Bond Registrar and paying agent and be mailed, postage prepaid, to all Holders of Bonds to be redeemed at their addresses as they appear of record on the books of the Bond



Registrar as of 45 days prior to the date fixed for redemption; provided, however, that failure to file and/or mail such notice of redemption shall not render void or voidable any calling of Bonds for prior redemption. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the Bonds selected for redemption shall be suspended.

Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the paying agent), the CUSIP number (if any) of the maturity or maturities to be redeemed, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on such date there will become due and payable on each of such Bonds, the redemption price thereof, or of such specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date; and that from and after such redemption date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the paying agent specified in the redemption notice.

SECTION 2.10 FORM OF BONDS. The text of the Bonds, together with the Certificate of Authentication of the Bond Registrar and, if applicable, the Validation Certificate to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof; or as may be necessary if the Bonds or a por-

tion thereof are issued as Capital Appreciation Bonds or bear a variable rate of interest; or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

No. \_\_\_\_\_

CUSIP: \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
NASSAU COUNTY  
OPTIONAL GAS TAX REVENUE BOND, SERIES 1988

RATE OF INTEREST

MATURITY DATE

DATE OF ORIGINAL ISSUE

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that Nassau County, Florida (the "County"), for value received hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above (or if such date is not a business day, then on the next business day thereafter), the principal sum shown above, upon the presentation and surrender hereof at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, as Paying Agent and Bond Registrar (collectively, the "Bond Registrar"), and to pay solely from such special funds interest hereon from the date of this bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum, at the rate per annum set forth above, payable on \_\_\_\_\_, and semiannually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year (or if any such date is not a business day, then on the next business day thereafter), by check or draft mailed to the Registered Owner at his address as it appears at 5:00 P.M. (eastern time) on the fifteenth day of the month preceding the applicable interest payment date, on the registration books of the County kept by the Bond Registrar. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America.

This bond is one of an authorized issue of bonds of the

County designated as "Optional Gas Tax Revenue Bonds, Series 1988," issued to finance the cost of construction of certain transportation improvements in the unincorporated area of the County (the "Project") under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Section 336.025(1)(e), Florida Statutes, and other applicable provisions of law, and a resolution duly adopted by the Board of County Commissioners of the County on \_\_\_\_\_, 1988, as supplemented (collectively, the "Resolution"), and is subject to all the terms and conditions of such Resolution.

This bond and the interest thereon are payable from and secured by a prior lien upon and pledge of the six cent optional gas tax upon motor fuel and any other fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes, and to the extent not required to be rebated to the United States Treasury or needed to pay costs of the Project, all money, securities and instruments held in the funds and accounts created and established by the Resolution (collectively, the "Pledged Funds"), all in the manner provided in the Resolution. This bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation.

It is expressly agreed by the Registered Owner of this bond that such Registered Owner shall never have the right to require or compel the levy of ad valorem taxes for the payment of the principal of and interest on this bond or for the making of any sinking fund or other payment specified in the Resolution. This bond and the indebtedness evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only upon the Pledged Funds in the manner provided in the Resolution.

(To be inserted where appropriate on face of bond:

"REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THIS SIDE.")

This bond may be transferred only upon the books of the County kept by the Bond Registrar upon surrender thereof at the principal office of the Bond Registrar with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such transfer, as provided in the Resolution. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar shall deliver, a new registered bond or bonds in authorized denominations and in the same aggregate principal amount, series, maturity and interest rate as this bond.

In like manner, subject to such conditions and upon the payment of a sum sufficient to cover any tax, fee or governmental charge, if any, that may be imposed in connection with any such exchange, the Registered Owner of any bond or bonds may surrender the same (together with a written instrument of exchange satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations and of the same series, maturity and interest rate as this bond.

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 Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this bond and of the issue of bonds of which this bond is one, does not violate any constitutional or statutory limitation.

(Insert redemption provisions).

Notice of such redemption shall be given in the manner and to the extent required by the Resolution.

This bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Bond Registrar.

IN WITNESS WHEREOF, Nassau County, Florida, has issued this bond and has caused the same to be executed by the Chairman of its Board of County Commissioners and attested and countersigned by the Clerk of the Circuit Court, ex officio Clerk of such Board, either manually or with their facsimile signatures, and the corporate seal of such Board or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of \_\_\_\_\_ 1, 1988.

NASSAU COUNTY, FLORIDA

(SEAL)

\_\_\_\_\_  
Chairman

ATTESTED AND COUNTERSIGNED:

\_\_\_\_\_  
Clerk

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the issue described in the Resolution.

\_\_\_\_\_  
As Bond Registrar

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_

VALIDATION CERTIFICATE

This bond is one of a series of bonds which were validated and confirmed by judgment of the Circuit Court for Nassau County, Florida, rendered on \_\_\_\_\_, 1988.

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

\_\_\_\_\_  
The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIF MIN ACT - _____ (Cust.)
TEN ENT - as tenants by the entireties	Custodian for _____ (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used though not in list above.

\_\_\_\_\_

ASSIGNMENT AND TRANSFER

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

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

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

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

Signature guaranteed:

\_\_\_\_\_  
(Bank, Trust Company or Firm)

\_\_\_\_\_  
(Authorized Officer)

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever, and must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.



### ARTICLE III

#### APPLICATION OF BOND PROCEEDS

SECTION 3.01 APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Bonds shall be applied by the Issuer simultaneously with their delivery to the purchaser thereof, as follows:

A. Accrued interest, and capitalized interest for a period to be fixed by subsequent resolution of the Board prior to delivery of the Bonds, shall be deposited in the Sinking Fund, herein created, and shall be used only for the purpose of paying interest becoming due on the Bonds.

B. A sum which, together with other legally available funds of the Issuer (including bond reserve insurance and/or letters of credit as described in Section 4.03D hereof) deposited in the Reserve Account, herein created, on the date of delivery of the Bonds, will equal the amount to be fixed by subsequent resolution of the Board, shall be deposited into the Reserve Account; provided, however, that such amount derived from the proceeds of the sale of the Bonds shall not exceed 10% of the proceeds of the Bonds as set forth in Section 148(d)(2) of the Internal Revenue Code of 1986, as amended (collectively, the "Code").

C. The Issuer shall deposit into the Costs of Issuance Fund, an amount equal to the estimated costs and expenses in connection with the issuance of the Bonds. After payment of all costs of issuance of the Bonds, any amount remaining in such Fund shall be deposited into the Road Improvements Construction Fund.

D. The remaining proceeds derived from the sale of the Bonds shall be deposited in the Road Improvements Construction Fund. The money therein shall be used only for the payment of the cost of the Project, but, pending such application, may be invested as provided in Section 4.02G hereof. Such money shall be kept separate and apart from all other funds of the Issuer,

and, to the extent not required to be rebated to the United States Treasury, shall be withdrawn, used and applied by the Issuer solely for the purposes set forth herein and in the Road Improvements Construction Fund. All such proceeds shall be and constitute trust funds for such purposes and there is hereby created a lien in favor of the Holders of the Bonds upon such money (except such funds subject to rebate as described above) until so applied.

## ARTICLE IV

### SECURITY FOR BONDS; CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF REVENUES

SECTION 4.01 SECURITY FOR BONDS. Neither the Bonds nor the interest thereon shall be or constitute a general indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from and secured by a prior lien upon and a pledge of the Pledged Funds as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property therein for payment thereof, or be entitled to payment of such principal and interest from any other funds of the Issuer, except from the Pledged Funds in the manner provided herein. Until payment has been provided as herein permitted, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, and the Issuer does hereby irrevocably pledge and grant a prior lien upon such Pledged Funds to the payment of the principal of and interest on the Bonds, the reserves therefor, and for all other required payments.

SECTION 4.02 CREATION OF FUNDS AND ACCOUNTS. The following Funds and Accounts are hereby created and established: the Revenue Fund, the Sinking Fund (including the Reserve Account and the Bond Amortization Account therein), the Costs of Issuance Fund and the Road Improvements Construction Fund.

A. TRUST FUNDS. The Funds and Accounts created and established above and any other special funds and accounts created and established by this Resolution shall constitute trust funds for the purposes provided herein for such Funds and Accounts, and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner herein provided. All such Funds and Accounts shall be continuously secured in the same manner as county deposits are authorized to be secured by the laws of the State of Florida.

B. GOVERNMENT ACCOUNTING EFFECT. The cash required to be accounted for in each of the Funds and Accounts established herein may be deposited in a single bank account; provided, that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of Pledged Funds for certain purposes and to establish certain priorities for application of such Pledged Funds as herein provided.

SECTION 4.03 APPLICATION OF REVENUES. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid, or until payment has been provided as herein permitted, or until there shall have been set apart in the Sinking Fund (including the Bond Amortization Account and the Reserve Account therein), a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue thereon, the Issuer covenants with the Holders of any and all Bonds as follows:

A. REVENUE FUND. The Gas Tax Revenues shall be deposited, as received, in the Revenue Fund and shall be disposed of on or before the 25th day of each month, commencing in the month immediately following the delivery of the Bonds, only in the following manner and in the following order of priority.

B. SINKING FUND. Gas Tax Revenues shall first be applied and allocated to the Sinking Fund in such sums as will be sufficient to pay 1/6th of all interest becoming due on the Current Interest Paying Bonds on the next semiannual interest payment date therefor, plus the amount of any prior deficiencies (if Bonds with a variable rate of interest are outstanding, the Issuer shall deposit in lieu of the 1/6th interest deposit

86

described above, the interest actually accruing on such Bonds for such month, assuming the interest rate thereon on the first day of such month will continue through the end of such month, plus any deficiencies in interest deposits for the preceding month); 1/6th or 1/12th, as the case may be, of all principal maturing on the Current Interest Paying Serial Bonds authorized herein on the next maturity date, plus the amount of any prior deficiencies; and 1/6th or 1/12th, as the case may be, of the Compounded Amount next becoming due on any Serial Capital Appreciation Bonds -- whether by reason of maturity or earlier redemption thereof, plus the amount of any prior deficiencies, and an amount sufficient to pay the fees and charges of the Bond Registrar and paying agent. In the event the first interest payment date or first principal maturity date shall occur either more or less than 6 months or 12 months, as the case may be, after the delivery of any of the Bonds, then the payments required above shall be adjusted accordingly to provide for the payment of such principal and interest.

C. BOND AMORTIZATION ACCOUNT. On a parity therewith, Gas Tax Revenues shall simultaneously be applied and allocated to the Bond Amortization Account, to the extent required, in such sums as will be equal to 1/12th of the Amortization Installment required to be made on the next annual payment date for Term Bonds, plus the amount of any prior deficiencies. Such allocations shall be credited to a separate special account for each series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds of a series, then into a separate special subaccount in the Bond Amortization Account for each such separate maturity of Term Bonds.

Upon the sale of any Term Bonds, the Issuer shall, by resolution of the Board, establish the amounts and maturities of such Amortization Installments, and if there shall be more than one maturity of Term Bonds, the Amortization Installments for the Term Bonds of each maturity.

Credit shall be allowed against the total interest,

Amortization Installment and principal due on the next interest and principal payment dates, respectively, for any other funds on hand and available for such purposes in the Sinking Fund and Bond Amortization Account.

D. RESERVE ACCOUNT. Gas Tax Revenues shall then be applied by the Issuer to maintain in the Reserve Account a sum equal to the Maximum Debt Service Requirement on the Bonds. The Issuer shall deposit 1/12th of 20% of the difference between the amount deposited therein on the date of issuance of the Bonds and the Maximum Debt Service Requirement. Any withdrawal from the Reserve Account shall be restored within 12 months by depositing therein an amount equal to 1/12th of such withdrawal. No further payments shall be required to be made into the Reserve Account when there has been deposited therein and as long as there shall remain on deposit therein a sum equal to the Maximum Debt Service Requirement on the Bonds. The Authorized Investments on deposit in the Reserve Account shall be valued annually on the last day of the Fiscal Year in accordance with generally accepted accounting practice.

Notwithstanding the foregoing, the Issuer shall not be required to fully fund the Reserve Account from proceeds of the sale of the Bonds, legally available funds of the Issuer and/or Pledged Funds if it provides on the date of issuance of the Bonds (1) bond reserve insurance issued by a reputable and recognized municipal bond insurer whose insurance policies generally result in insured issues being rated in the highest rating category by either Standard & Poor's Corporation, New York, New York, or Moody's Investors Service, New York, New York, or (2) an unconditional letter of credit issued by any bank or national banking association insured by the Federal Deposit Insurance Corporation whose own debt securities are rated "AA" or the equivalent or better by either of the rating agencies set forth above, in an amount equal to the difference between the Maximum Debt Service Requirement and the sum then on deposit in the Reserve Account.

Money in the Reserve Account shall be used only for the purpose of the payment of maturing Amortization Installments or principal of or interest on the Bonds when the other money allocated to the Sinking Fund and Bond Amortization Account is insufficient therefor, and for no other purpose. However, if and whenever the money applied and allocated to the Reserve Account exceeds the Maximum Debt Service Requirement on all then outstanding Bonds, such excess shall be withdrawn and deposited into the Sinking Fund.

E. COMPLETION OF FUNDING REQUIREMENT. The Issuer shall not be required to make any further applications or allocations to the Sinking Fund, the Bond Amortization Account or the Reserve Account when the aggregate sums applied and allocated thereto are and remain at least equal to the sum of all of the annual Debt Service Requirements then due and becoming due in all ensuing years for the Bonds then outstanding, plus the amount of redemption premiums, if any, then due and thereafter to become due on the Bonds then outstanding by operation of the Bond Amortization Account.

F. BALANCE OF REVENUES. Thereafter the balance of any Gas Tax Revenues remaining after the above required payments (including deficiencies for prior payments) have been made may be used by the Issuer for any lawful purpose.

G. INVESTMENT AND DISPOSITION OF INVESTMENT INCOME. Pledged Funds on deposit in the Revenue Fund, the Sinking Fund, the Bond Amortization Account and the Road Improvements Construction Fund may be invested and reinvested only in Authorized Investments maturing not later than the date on which the money therein will be needed. The Pledged Funds in the Reserve Account may be invested and reinvested in Authorized Investments, provided such investments mature not later than the final maturity date of the Bonds. Any and all income received by the Issuer from such investments of Pledged Funds in the above Funds and Accounts (excluding the Road Improvements Construction Fund, the

Costs of Issuance Fund and the Reserve Account) shall be deposited into the Sinking Fund. Income received from the investment of money on deposit in the Reserve Account shall remain in the Reserve Account unless it is fully funded, in which case such income shall be deposited into the Sinking Fund on the next business day following the receipt thereof. Income received from the investment of money on deposit in the Costs of Issuance Fund shall be deposited into the Road Improvements Construction Fund pending completion of the Project, and thereafter shall be deposited into the Sinking Fund. Income received from the investment of money on deposit in the Road Improvements Construction Fund shall remain on deposit therein pending completion of the Project, and thereafter shall be deposited into the Sinking Fund. Such investment income shall be applied for the purposes of the Fund or Account from which it was derived, except to the extent it is required to be rebated to the United States Treasury in accordance with the Code.

H. OPERATION OF BOND AMORTIZATION ACCOUNT. Money held for the credit of the Bond Amortization Account shall be applied to the redemption or open market purchase (at not exceeding the price of par and accrued interest) of Term Bonds in accordance with the mandatory redemption provisions and/or the schedule of Amortization Installments for such Term Bonds. Amortization Installments for any Term Bonds shall be reduced on a reasonably proportionate basis to the extent that such Term Bonds are purchased in the open market. The Issuer shall pay from the Sinking Fund all expenses in connection with such purchase or redemption.

SECTION 4.03 UNCLAIMED MONEY. Notwithstanding any provisions of this Resolution, any money held by the paying agent for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for 5 years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption), if such money



were so held at such date, or 5 years after the date of deposit of such money if deposited after such date when all of the Bonds became due and payable, shall be repaid to the Issuer free from the provisions of this Resolution, and all liability of the paying agent with respect to such money shall thereupon cease; provided, however, that before the repayment of such money to the Issuer as aforesaid, the Issuer first publish at least once in a financial newspaper or journal published and/or of general circulation in New York, New York, a notice, in such form as may be deemed appropriate by the Issuer with respect to the Bonds so payable and not presented, and with respect to the provisions relating to the repayment to the Issuer of the money held for the payment thereof.

## ARTICLE V

CERTAIN COVENANTS WITH BONDHOLDERS; ADDITIONAL  
PARITY BONDS; REMEDIES

SECTION 5.01 ACCOUNTING RECORDS. The Issuer shall maintain separately identifiable accounting records for the receipt of the Pledged Funds by the use of a fund established in accordance with generally accepted accounting practice, and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating thereto.

SECTION 5.02 ANNUAL AUDIT. The Issuer shall after the close of each Fiscal Year, cause the books, records and accounts relating to the Pledged Funds to be properly audited by a recognized Accountant, and shall require the Accountant to complete its audit report within 180 days after the close of the Fiscal Year. Such audit shall contain, but not be limited to, the statements required by generally accepted accounting principles applicable to governmental units, and a certificate by the Accountant disclosing any breach on the part of the Issuer of any covenant herein. A copy of such annual audit shall be made available, at all reasonable times, for inspection by any Bondholder, upon request therefor.

SECTION 5.03 ENFORCEMENT OF COLLECTIONS. The Issuer will diligently enforce and collect the Pledged Funds herein pledged; will take all reasonable steps, actions and proceedings for the enforcement and collection of such Pledged Funds as shall become delinquent; and will maintain accurate records with respect thereof. All such Pledged Funds herein pledged shall, as collected, be held in trust to be applied as herein provided and not otherwise.

SECTION 5.04 NO IMPAIRMENT OF CONTRACT. The Issuer has full power and authority to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds. The pledge of such Pledged Funds, in the manner provided herein,

92

shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance or other proceedings of the Issuer or by any subsequent act of the Legislature of the State of Florida, unless the Issuer shall have provided, or such Legislature shall have made immediately available to the Issuer, such additional or supplemental funds which shall be sufficient to retire such Bonds and the interest thereon in accordance with their terms. The Issuer shall take all actions necessary and pursue such legal remedies which may be available to it either in law or in equity to prevent or cure any impairment within the meaning of this Section 5.04.

SECTION 5.05 REMEDIES. Any trustee or any Holder of Bonds issued under the provisions hereof acting for the Holders of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the Issuer or by any officer thereof. Nothing herein, however, shall be construed to grant to any Holder of such Bonds any lien on any property of or within the corporate boundaries of the Issuer, except as provided herein. No Holder of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of this Resolution or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

If any payments of Debt Service Requirements are made by a municipal bond insurer with respect to Bonds which have not been defeased in accordance with the provisions of Section 6.06 hereof, the lien upon and pledge of the Pledged Funds and all covenants and other obligations of the Issuer to the Holders of

such Bonds shall continue to exist and the insurer shall be subrogated to the rights of the Holders of such Bonds with respect to the Debt Service Requirements paid or insured by such municipal bond insurer.

#### SECTION 5.06 ISSUANCE OF ADDITIONAL OBLIGATIONS.

Except as provided below, the Issuer hereby covenants and agrees not to incur any other obligations or indebtedness payable from the same source as the Bonds, unless such obligations contain an express statement that such obligations are junior and subordinate in all respects to the Bonds herein authorized as to lien on and source and security for payment from the Pledged Funds. No Additional Parity Bonds, payable on a parity from the Pledged Funds with the Bonds, herein authorized, shall be issued except upon the conditions and in the manner provided below.

(1) There shall have been obtained and filed with the Issuer a certificate of an Accountant: (a) stating that he had compiled and/or reviewed the books and records of the Issuer relating to the collection and receipt of the Gas Tax Revenues; (b) setting forth the amount of Gas Tax Revenues received by the Issuer for 24 consecutive months out of the 30 month period immediately preceding the proposed date of delivery of such Additional Parity Bonds with respect to which such certificate is made; and (c) stating that the Gas Tax Revenues for each of 2 consecutive 12 month periods of such 24 consecutive months are at least equal to 1.30 times the Maximum Debt Service Requirement to become due in any ensuing Bond Year on the Bonds then outstanding and the Additional Parity Bonds proposed to be issued.

(2) Each resolution authorizing the issuance of Additional Parity Bonds will recite that all of the covenants herein contained applicable to the Additional Parity Bonds, will be applicable to such Additional Parity Bonds.

(3) The Gas Tax Ordinances shall have been amended, as necessary, to impose the Gas Tax until final retirement of the Additional Parity Bonds proposed to be issued.

17

(4) The Issuer shall not be in breach of the covenants and obligations assumed hereunder, and all payments herein required to have been made into the Funds and Accounts, as provided hereunder, shall have been made to the full extent required.

SECTION 5.07 TAX EXEMPTION. The Issuer at all times while the Bonds and the interest thereon are outstanding will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder, to the extent necessary to preserve the exemption from federal income taxation of the interest on the Bonds.

SECTION 5.08 PAYMENT OF BONDS. The Issuer will duly and timely pay or cause to be paid from the Pledged Funds the principal of, redemption premiums, if any, and interest on the Bonds, when due, by transferring money in the required amounts from the Funds and Accounts created herein to the principal office of the paying agent at least one business day prior to the date on which such payments of principal, premium and interest are due.

ARTICLE VI  
MISCELLANEOUS PROVISIONS

SECTION 6.01 MODIFICATION OR AMENDMENT. No adverse material modification or amendment of this Resolution or of any ordinance or resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of 51% or more in aggregate principal amount of the Bonds to be affected by such modification or amendment; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or in the amount of principal obligation thereof, or affect the promise of the Issuer to pay the principal of and interest on the Bonds as the same shall become due from the Pledged Funds, or reduce the percentage of the Holders of the Bonds required to consent to any adverse material modification or amendment hereof without the consent of the Holders of all Bonds; provided further, however, that the Issuer may at any time amend this Resolution to provide for the issuance or exchange of Bonds in coupon form, if and to the extent that doing so will not affect the tax exempt status of the interest on the Bonds. If the Bonds or any series of Bonds then outstanding are insured by a policy of municipal bond insurance, the consent of the municipal bond insurer shall be required in lieu of the consent of the Holders of the Bonds so insured. For the purpose of computing the amount of Bonds held by the Holder of Capital Appreciation Bonds, the principal amount of a Capital Appreciation Bond shall be deemed to be its Compounded Amount.

SECTION 6.02 SALE OF BONDS. The Bonds shall be issued and sold at public or private sale, at one time or in installments from time to time, at such price or prices consistent with the provisions of the Act and the requirements of this Resolution as the Issuer shall hereafter determine by resolution.

SECTION 6.03 TEMPORARY BONDS. Until Bonds are ready for delivery in definitive form, the Issuer may execute, and upon

its request in writing, the Bond Registrar shall authenticate and deliver in lieu of such definitive Bonds, one or more printed, lithographed or typewritten Bonds in temporary form. The Bonds in temporary form shall be substantially of the tenor of the Bonds described in this Resolution, with appropriate omissions, variations and insertions, and shall be subject to the same provisions, limitations and conditions set forth in this Resolution. The Issuer shall without unreasonable delay prepare, execute and deliver to the Bond Registrar, and upon surrender of the Bond or Bonds in temporary form to the Bond Registrar, the Bond Registrar shall authenticate and deliver, in exchange therefor, a Bond or Bonds of the same maturity, in definitive form, in authorized denominations and for the same aggregate principal amount as the Bond or Bonds in temporary form surrendered. The expense of such exchange shall be borne by the Issuer and there shall be no charge therefor to any Bondholder.

SECTION 6.04 SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 6.05 VALIDATION OPTIONAL. The County Attorney is hereby authorized, at his option, to institute appropriate proceedings for the validation of the Bonds.

SECTION 6.06 DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for the payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds or any portion thereof, then, and in that event, the pledge of and lien on the Pledged Funds in favor of

the Bondholders of those Bonds, or applicable portions thereof, shall be no longer in effect; provided, however, that (1) if any of the Bonds are to be redeemed prior to their respective stated dates of maturity, notice of the redemption thereof will be given in accordance with the provisions of Section 2.09 hereof or irrevocable provision will be made for the giving of such notice, and (2) in the event that any Bonds are not by their terms subject to redemption or will mature, as applicable, within the next succeeding 60 days following a deposit of money with the escrow holder in accordance with this Section 6.06, the Issuer will mail, or cause to be mailed, to the Holders of such Bonds at their addresses as they appear on the registration books of the Issuer maintained by the Bond Registrar, and publish, or cause to be published, once in a financial publication of general circulation in New York, New York, a notice stating that a deposit in accordance with this Section 6.06 has been made with the escrow holder and that the Bonds are deemed to have been paid in accordance with this Section 6.06, and stating such maturity or redemption date upon which money will be available for the payment of the principal of, redemption premium, if any, and interest on such Bonds; but failure to give such notice of redemption or notice of advance refunding, as applicable, shall not affect any defeasance otherwise in accordance with this Section 6.06. For purposes of the preceding sentence, deposit of sufficient cash and/or principal and interest of Federal Securities in irrevocable trust with a banking institution or trust company as escrow holder, for the sole benefit of such Bondholders, to make timely payment of the principal, interest, and redemption premiums, if any, on such outstanding Bonds, shall be considered "provision for payment."

SECTION 6.07 REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.



SECTION 6.08 EFFECTIVE DATE. This Resolution shall  
take effect immediately upon its passage.

PASSED AND ADOPTED this 12th day of January, 1988.

(SEAL)

BOARD OF COUNTY COMMISSIONERS  
OF NASSAU COUNTY, FLORIDA

ATTEST:

By

Clerk



By

Chairman

