

RESOLUTION NO. 98- 121

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA SUPPLEMENTING A RESOLUTION OF THE COUNTY ENTITLED: "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY NASSAU COUNTY, FLORIDA OF NOT EXCEEDING \$16,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF GAS TAX REVENUE BONDS, SERIES 1998 IN ORDER TO PROVIDE FUNDS FOR THE PURPOSES OF FINANCING THE COSTS OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE COUNTY AND FINANCING CERTAIN TRANSPORTATION IMPROVEMENTS WITHIN THE COUNTY; PLEDGING THE MONEYS RECEIVED BY THE COUNTY FROM THE COUNTY'S CONSTITUTIONAL TWO-CENT GAS TAX, THE ONE-CENT GAS TAX IMPOSED PURSUANT TO SECTION 206.60, FLORIDA STATUTES, AND THE ONE-CENT OPTIONAL GAS TAX IMPOSED PURSUANT TO SECTION 336.021, FLORIDA STATUTES, TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; PROVIDING FOR CERTAIN ADDITIONAL MATTERS IN RESPECT TO SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION;" PROVIDING CERTAIN TERMS AND DETAILS OF SUCH BONDS, INCLUDING AUTHORIZING A NEGOTIATED SALE OF SAID BONDS AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT THERETO UPON COMPLIANCE WITH CERTAIN PARAMETERS; APPOINTING THE PAYING AGENT AND REGISTRAR WITH RESPECT TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF A LETTER AGREEMENT WITH THE STATE BOARD OF ADMINISTRATION; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) On July 27, 1998, the Board of County Commissioners of Nassau County, Florida (the "County") duly adopted a resolution (the "Original Resolution") authorizing the issuance of not exceeding \$16,000,000 in aggregate principal amount of the County's Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds").

(B) The Original Resolution, as supplemented hereby, is referred to herein as the "Bond Resolution." All capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Resolution.

(C) The principal of and interest on the Series 1998 Bonds and all required sinking fund, reserve and other payments shall be limited obligations of the County, payable solely from the Pledged Funds, as provided in the Bond Resolution. The Series 1998 Bonds shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the County, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, nor the County shall be obligated (1) to exercise its ad valorem taxing power in any form on any real or personal property of or in the County to pay the principal of the Series 1998 Bonds, the interest thereon, or other costs incidental thereto or (2) to pay the same from any other funds of the County except from the Pledged Funds, in the manner provided in the Bond Resolution.

(D) Due to the present volatility of the market for tax-exempt obligations such as the Series 1998 Bonds, it is in the best interest of the County to sell the Series 1998 Bonds by a negotiated sale, allowing the County to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the County to obtain the best possible price and interest rate for the Series 1998 Bonds. The County acknowledges that a copy of the letter of the underwriters for said Series 1998 Bonds containing the information required by Section 218.385, Florida Statutes, in connection with a negotiated sale of the Series 1998 Bonds is a condition precedent to the execution and delivery by the County of the Purchase Contract referred to below.

(E) First Union Capital Markets, a division of Wheat First Securities, Inc., on behalf of the Underwriters (the "Underwriters") expects to offer to purchase the Series 1998 Bonds from the County and submit a Bond Purchase Contract in the form attached hereto as Exhibit A (the "Purchase Contract") expressing the terms of such offer, and, assuming compliance with the provisions of Section 4 hereof, the County does hereby find and determine that it is in the best financial interest of the County that the terms expressed in the Purchase Contract be accepted by the County.

(F) The Original Resolution provides that Bonds such as the Series 1998 Bonds shall mature on such dates and in such amounts, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution adopted by the County; and it is now appropriate that the County determine parameters for such terms and details.

SECTION 2. AUTHORIZATION AND DESCRIPTION OF THE SERIES 1998 BONDS. The County hereby determines to issue a series of Bonds in an aggregate principal

amount not exceeding \$16,000,000, the exact principal amount to be as set forth in the Purchase Contract, to be known as "Gas Tax Revenue Bonds, Series 1998," for the principal purpose of advance refunding the Refunded Obligations and funding the Initial Project. The Series 1998 Bonds shall be deemed a single Series of Bonds for purposes of the Bond Resolution.

The Series 1998 Bonds shall be dated August 1, 1998; shall be issued as fully registered Bonds, numbered consecutively from one upward in order of maturity with the prefix "R"; shall bear interest from August 1, 1998, payable semi-annually, on May 1 and November 1 of each year, commencing on November 1, 1998, at such rates and maturing in such amounts on May 1 of such years as to be set forth in the Purchase Contract. The Series 1998 Bonds shall be issued in denominations of \$5,000 and any integral multiple thereof.

The Series 1998 Bonds shall be subject to redemption prior to maturity as to be set forth in the Purchase Contract.

The principal of, or redemption price, as applicable, or maturity amount, as applicable, of the Series 1998 Bonds, shall be payable at the corporate trust office of the Paying Agent for the Series 1998 Bonds appointed in Section 8 hereof, or its successor, upon presentation of the Series 1998 Bonds. Payment of interest on the Series 1998 Bonds shall be made to the owner thereof and shall be paid by check or draft of the Paying Agent to the Holder in whose name the Series 1998 Bond is registered at the close of business on the 15th day of the month (whether or not a business day) next preceding the interest payment date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments shall be made in accordance with and pursuant to the terms of the Bond Resolution and the Series 1998 Bonds and shall be payable in any coin and currency of the United States of America which, at the time of payment, is legal tender for the payment of public or private debts.

SECTION 3. TRANSFER OF AMOUNTS IN FUNDS AND ACCOUNTS FOR THE REFUNDED OBLIGATIONS. Upon issuance of the Series 1998 Bonds, all amounts on deposit in the funds and accounts established with respect to the Refunded Obligations shall be transferred to the funds and accounts established pursuant to the Bond Resolution as specified in the County's Certificate as to Arbitrage and Certain Other Tax Matters executed at the time of issuance of the Series 1998 Bonds.

SECTION 4. SALE OF THE SERIES 1998 BONDS. Upon delivery to the Chairman, the Clerk and the County's financial advisor of a Purchase Contract substantially in the form of Exhibit A attached hereto, evidencing:

- (A) Series 1998 Bonds in an aggregate principal amount not exceeding \$16,000,000;
- (B) Optional redemption of the Series 1998 Bonds beginning not later than May 1, 2008 at a price not in excess of 102% of par, declining to par not later than May 1, 2010;
- (C) Net present value debt service savings of not less than 3% of the principal amount of the Refunded Obligations;

- (D) A true interest cost with respect to the Series 1998 Bonds of not greater than 5.5% per annum; and
- (E) The Underwriters' discount for the Series 1998 Bonds not being in excess of 0.9% of the initial principal amount of the Series 1998 Bonds;

the Series 1998 Bonds shall be sold to the Underwriters pursuant to the Purchase Contract at the purchase price provided therein (including any original issue discounts), plus accrued interest on the Series 1998 Bonds from the date of the Series 1998 Bonds to the date of delivery and payment therefor; all terms and conditions set forth in said Purchase Contract being hereby approved. Upon compliance with the foregoing, the Chairman is hereby authorized and directed to execute said Purchase Contract and to deliver the same to the Underwriters.

SECTION 5. OFFICIAL STATEMENT; CONTINUING DISCLOSURE AGREEMENT.

(A) The form, terms and provisions of the Official Statement, dated the date of execution of the Purchase Contract, in substantially the form attached hereto as Exhibit B which shall include the terms and provisions set forth in the executed version of the Purchase Contract, relating to the Series 1998 Bonds, be and the same hereby are approved with respect to the information therein contained. The Chairman, the Clerk and the County Coordinator, upon execution of the Purchase Contract described above, are hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the County, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, omissions and additions as may be approved by the Chairman. The use of a Preliminary Official Statement in the marketing of the Series 1998 Bonds is hereby authorized and the Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 1998 Bonds to the public. The Chairman is hereby delegated the authority to deem the Preliminary Official Statement "final," within the meaning of SEC Rule 15c2-12. Execution by the Chairman, the County Coordinator and the County Clerk of the Official Statement shall be deemed to be conclusive evidence of approval of such changes, amendments, modifications, omissions and additions.

(B) In order to enable the Underwriters to comply with the provisions of SEC Rule 15c2-12 relating to secondary market disclosure, the Chairman is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in the name and on behalf of the County substantially in the form attached hereto as Exhibit D with such changes, amendments, omissions and additions as shall be approved by the Chairman, his execution and delivery thereof being conclusive evidence of such approval.

SECTION 6. APPOINTMENT OF REGISTRAR AND PAYING AGENT. The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida, is hereby designated Registrar and Paying Agent for the Series 1998 Bonds. The Chairman and the Clerk are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 6.

SECTION 7. AUTHORIZATION OF EXECUTION OF LETTER AGREEMENT.

The County hereby authorizes and directs the Chairman to execute, and the Clerk to attest under the corporate seal of the County, the Letter Agreement and to deliver the same to the State Board of Administration (the "State Board"). All of the provisions of the Letter Agreement, when executed and delivered by the County as authorized herein and when duly authorized, executed and delivered by the State Board, shall be deemed to be a part of this Supplemental Resolution as fully and to the same extent as if incorporated verbatim herein, and the Letter Agreement shall be in substantially the form of the Letter Agreement attached hereto as Exhibit C with such changes, amendments, modifications, omissions and additions, including the date of such Letter Agreement, as may be approved by said Chairman. Execution by the Chairman of the Letter Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 8. PURCHASE OF RESERVE ACCOUNT INSURANCE POLICY. The County hereby elects to purchase a Reserve Account Insurance Policy from a financial entity designated by the Chairman, the Clerk and the County's financial advisor (the "Reserve Insurer") with respect to its issuance of the Series 1998 Bonds. In connection therewith, the County hereby authorizes and directs the Chairman to execute and deliver an Insurance Agreement to the Reserve Insurer and the Clerk to attest the same under the official seal of the County. The Insurance Agreement shall be in substantially the form of the Insurance Agreement attached hereto as Exhibit E with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman. Execution by the Chairman of the Insurance Agreement shall be deemed to be conclusive evidence of approval of such changes. All of the provisions of the Insurance Agreement, when executed and delivered by the County as authorized herein and when duly authorized, executed and delivered by the Reserve Insurer, shall be deemed to be a part of this Supplemental Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 9. PAYMENTS PURSUANT TO BOND INSURANCE POLICY.

(A) In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Series 1998 Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Series 1998 Bonds due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify the Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(B) If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Insurer or its designee.

(C) In addition, if the Paying Agent has notice that any Series 1998 Bondholder has been required to disgorge payments of principal or interest on the Series 1998 Bonds to a trustee in Bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws then the Paying Agent shall notify the Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(D) The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 1998 Bonds as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Series 1998 Bonds, the Paying Agent shall (a) execute and deliver to State Street Bank and Trust Company, N.A., or its successors under the Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Series 1998 Bonds, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Series 1998 Bonds surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent and (c) disburse the same to such Holders.

(E) Payments with respect to claims for interest on and principal of the Series 1998 Bonds disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Series 1998 Bonds, and the Insurer shall become the owner of such unpaid Series 1998 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(F) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the Insurer that:

1. They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the Series 1998 Bonds, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in the Authorizing Resolution and the Series 1998 Bonds; and

2. They will accordingly pay to the Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in the Authorizing Resolution and the Series 1998 Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 1998 Bonds to Holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

(G) In connection with the issuance of additional Bonds, the Issuer shall deliver to the Insurer a copy of the disclosure document, if any, circulated with respect to such additional Bonds.

(H) Copies of any amendments made to the documents executed in connection with the issuance of the Series 1998 Bonds which are consented to by the Insurer shall be sent to Standard & Poor's Corporation.

(I) The Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

(J) The Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and annual budget.

(K) Any notice that is required to be given to a holder of the Series 1998 Bonds or to the Paying Agent pursuant to the Authorizing Resolution shall also be provided to the Insurer. All notices required to be given to the Insurer under the Authorizing Resolution shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attention: Surveillance.

SECTION 10. GENERAL AUTHORITY. The members of the Board of County Commissioners of the County and the officers, attorneys and other agents or employees of the County and the Clerk are hereby authorized to do all acts and things required of them by this Supplemental Resolution or the Original Resolution, or desirable or consistent with the requirements hereof or the Original Resolution for the full punctual and complete performance hereof or thereof. Each member, employee, attorney and officer of the County is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 11. ORIGINAL RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Original Resolution and all the terms and provisions thereof, including the covenants contained therein, are and shall remain in full force and effect.

SECTION 12. SEVERABILITY AND 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, even 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 covenants, agreements or provisions hereof or the Bonds issued hereunder.

SECTION 13. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

DULY ADOPTED, this 27th day of July, 1998.

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

(SEAL)

By: _____
Chairman



ATTEST:

Clerk



Approved as to form by the
Nassau County Attorney:

MICHAEL S. MULLIN

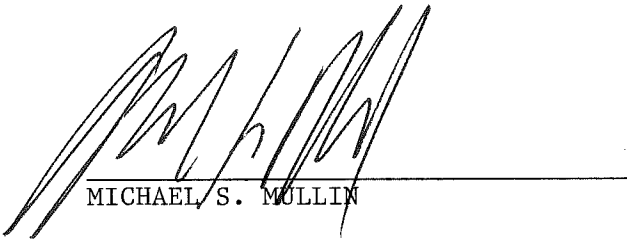


EXHIBIT A

BOND PURCHASE CONTRACT

\$ _____
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BONDS, SERIES 1998

August __, 1998

BOND PURCHASE CONTRACT

Chairman, Board of County Commissioners
of Nassau County, Florida
191 Nassau Place
Yulee, Florida 32097

Dear Sir:

First Union Capital Markets, a division of Wheat First Butcher Singer, on behalf of itself, A. G. Edwards & Sons, Inc. and SunTrust Equitable Securities (collectively, the "Underwriters"), offers to enter into this Bond Purchase Contract with you, Nassau County, Florida (the "County"). This offer is made subject to written acceptance hereof by the County at or before 12:00 midnight, eastern daylight time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the County at any time prior to the acceptance hereof by the County.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations and agreements set forth herein, the Underwriters hereby agree to purchase from the County, and the County hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$ _____ aggregate principal amount of Nassau County, Florida, Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds"). The 1998 Bonds shall be dated as of August 1, 1998, and shall be payable in the years and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. The purchase price for the 1998 Bonds shall be \$ _____ (representing the par amount of the 1998 Bonds, less an original issue discount of \$ _____ and an Underwriters' discount of \$ _____), plus accrued interest from August 1, 1998, to the date of delivery of the 1998 Bonds.

The statements required by Section 218.385, Florida Statutes, are attached hereto as Exhibits B and C.

The 1998 Bonds shall be as described in, and shall be issued under the authority of and in full compliance with the Constitution and laws of the State of Florida and secured under the provisions of Ordinance No. ____, of the County, enacted by the Board of County Commissioners of the County (the "Board") on July 27, 1998, as supplemented by Resolution No. ____, adopted by the Board on August __, 1998, as supplemented on or prior to the date hereof, together with such amendments, modifications or supplements which have been approved by the Underwriters prior to the Closing referred to in Section 7 hereof (collectively, the "Bond Resolution").

2. Delivery of Official Statement and Other Documents. (a) Prior to the date hereof, you have provided to the Underwriters for their review the Preliminary Official Statement dated July __, 1998, that you have deemed final as of its date, except for certain permitted omissions, as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") in connection with the pricing of the 1998 Bonds. The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Bond Purchase Contract. The County hereby confirms that the Preliminary Official Statement was deemed final as of its date, except for the permitted omissions.

(b) The County shall deliver, or cause to be delivered, at its expense, to the Underwriters within seven (7) business days after the date hereof or within such shorter period as may reasonably be requested by the Underwriters in order to accompany any confirmation that requests payment from any customer (i) sufficient copies of the final Official Statement dated August __, 1998 (the "Official Statement") to enable the Underwriters to fulfill their obligations pursuant to the federal and Florida securities laws, in form and substance satisfactory to the Underwriters and (ii) an executed original counterpart or certified copy of the Official Statement and the Bond Resolution. In determining whether the number of copies to be delivered by the County is reasonably necessary, at a minimum the number shall be sufficient to enable the Underwriters to comply with the requirements of Rule 15c2-12, all applicable rules of the Municipal Securities Rulemaking Board ("MSRB") and to fulfill its duties and responsibilities under federal and Florida securities laws generally.

The Underwriters agree to file the final Official Statement with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs") which have been so designated by the Securities and Exchange Commission pursuant to Rule 15c2-12 and with the MSRB (accompanied by a completed Form G-36) not later than two (2) business days after the Closing, and will furnish to the County a list of the names and addresses of each such NRMSIR receiving a copy. The filing of the Official Statement with each such NRMSIR shall be in accordance with the terms and conditions applicable to each such NRMSIR.

The County authorizes the use and distribution of the Official Statement in connection with the public offering and sale of the 1998 Bonds. The Underwriters agree that they will not confirm the sale of any 1998 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. Unless otherwise notified in writing by the Underwriters on or prior to the date of Closing, the County shall assume that the "end of the underwriting period" for the 1998 Bonds for all purposes of Rule 15c2-12 is the date of the Closing. In the event notice is given in writing by the Underwriters, the Underwriters shall notify the County in writing following the occurrence of the "end of the underwriting period" for the 1998 Bonds, as defined in Rule 15c2-12. The "end of the underwriting period" for the 1998 Bonds as used in this Bond Purchase Contract shall mean the date of Closing or such later date as to which notice is given by the Underwriters in accordance with the preceding sentence.

(c) From the date hereof to and including the date which is twenty-five days from the end of the underwriting period, if there shall exist any event which, in the opinion of the Underwriters or in the opinion of the County, requires a supplement or amendment to the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the

County will supplement or amend the Official Statement in a form and in a manner approved by the Underwriters and the County. The County will promptly notify the Underwriters of the occurrence of any event of which they have knowledge, which, in their opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the 1998 Bonds are hereinafter included within the term "Official Statement."

3. Authority of the Senior Managing Underwriter. First Union Capital Markets (the "Senior Managing Underwriter") has been duly authorized to execute this Bond Purchase Contract and has been duly authorized to act hereunder by and on behalf of the Underwriters.

4. Public Offering. The Underwriters agree to make a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriters or wholesalers) of all of the 1998 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth on the cover page of the Official Statement plus accrued interest, if any, thereon from the date of the 1998 Bonds. If such public offering does not result in the sale of all the 1998 Bonds, the Underwriters may offer and sell the 1998 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of Underwriters or wholesalers at prices lower than the public offering prices set forth on the cover page of the Official Statement.

The Senior Managing Underwriter does hereby certify that at the time of the execution of this Bond Purchase Contract, based upon prevailing market conditions, it does not have any reason to believe that any of the 1998 Bonds will be initially sold to the public (excluding such bond houses, brokers, or similar persons or organizations acting in the capacity of Underwriters or wholesalers) at prices in excess of the prices, or yields below the yields, set forth on the cover page of the Official Statement, plus accrued interest, if any, on the 1998 Bonds from the date thereof. At the Closing, the Senior Managing Underwriter shall deliver to the County a certificate on behalf of the Underwriters in substantially the form attached as Exhibit G hereto, to the effect that (i) all of the 1998 Bonds have been the subject of an initial offering to the public as herein provided, and (ii) at least 10% of the 1998 Bonds of each maturity were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Official Statement, or in the case of discount obligations shown on a yield basis, at yields no lower than the respective yields shown on the cover of the Official Statement, plus accrued interest from the date of the 1998 Bonds to the Closing, and as to such other matters required in order to enable Bond Counsel to render its opinion as to the exclusion from gross income for Federal income tax purposes of interest on the 1998 Bonds.

The County hereby authorizes the Underwriters to use the forms or copies of the Bond Resolution and the Official Statement and the information contained therein in connection with the public offering and sale of the 1998 Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

5. Security Deposit. The Underwriters have delivered herewith to the County a corporate check for _____ (\$_____) payable to the order of the County. In the event you do not accept this offer, such check shall be immediately returned to the Underwriters. If the offer made hereby is accepted, the County agrees to hold this check uncashed until the Closing

as security for the performance by the Underwriters of their obligations to accept and pay for the 1998 Bonds at the Closing, and, in the event of its compliance with such obligations, such check shall be returned to the Underwriters at the Closing. In the event of the County's failure to deliver the 1998 Bonds at the Closing, or if the County shall be unable to satisfy the conditions of Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Contract (other than resulting from a failure to deliver the certificate required by Exhibit G hereto), such check shall be immediately returned to the Underwriters and such return shall constitute a full release and discharge of all claims by the Underwriters arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the 1998 Bonds at the Closing (as hereinafter defined), such check shall be retained by the County as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims by the County against the Underwriters arising out of the transactions contemplated hereby.

6. County Representations. The County represents to the Underwriters that, as of the date hereof and as of the date of the Closing:

(a) The County is a political subdivision of the State of Florida, and is a duly and validly existing public body corporate and politic under the Constitution and laws of the State of Florida, and has full legal right, power and authority to (i) acquire and construct the road improvements contemplated to be financed with the proceeds of the 1998 Bonds (the "Project") and (ii) refund the County's outstanding State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services for the benefit of the County, dated May 1, 1974 (the "Refunded Bonds"), as described in the Bond Resolution and as contemplated by the Official Statement.

(b) The County has, or had on the date of execution hereof, full legal right, power and authority to enter into this Bond Purchase Contract, to adopt the Bond Resolution, and to sell, issue, and deliver the 1998 Bonds to the Underwriters as provided herein; by official action of the County taken prior to or concurrently with the acceptance hereof, the County has duly enacted the Bond Resolution in accordance with the Act; the Bond Resolution is in full force and has not been amended, modified or rescinded; the County has duly authorized and approved the execution and delivery of, and the performance by the County of its obligations contained in, the 1998 Bonds, the letter agreement (the "Agreement") between the County and the State Board of Administration of the State of Florida (the "SBA"), the Bond Registrar Agreement between the County and _____, as Registrar, and this Bond Purchase Contract; and the County has duly authorized and approved the performance by the County of its obligations contained in the Bond Resolution and the consummation by it of all other transactions contemplated by the Bond Resolution, the Agreement, the Bond Registrar Agreement, the Official Statement and this Bond Purchase Contract to have been performed or consummated at or prior to the date of Closing; and the County is in compliance with the provisions of the Bond Resolution.

(c) Except as disclosed in the Official Statement, the County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, or any authority or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is

otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the extent that the same would have a material and adverse effect upon the business or properties or financial condition of the County; and the execution and delivery of the 1998 Bonds, this Bond Purchase Contract, the Agreement, the Bond Registrar Agreement and the adoption of the Bond Resolution, and compliance by the County with the provisions contained therein, will not conflict with or constitute a breach of or default under the Act, or under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the County under the terms of any such law, regulation or instrument, except as provided or permitted by the 1998 Bonds, the Bond Resolution, the Agreement, and the Bond Registrar Contract.

(d) All approvals, consents and orders of any governmental authority, legislative body, board, authority or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially and adversely affect the due performance by the County of its obligations under this Bond Purchase Contract, the Bond Resolution, the Agreement, the Bond Registrar Agreement and the 1998 Bonds have been, or prior to the Closing will have been, duly obtained, except for (i) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the 1998 Bonds or (ii) such approvals, consents and orders described in the Official Statement as not having been obtained or (iii) not of material significance to the Project or (iv) customarily granted in due course after application therefor and expected to be obtained without material difficulty or delay.

(e) The 1998 Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriters as provided herein and in accordance with the provisions of the Bond Resolution, will be a valid and legally enforceable obligation of the County in accordance with their terms and the terms of the Bond Resolution, and the Bond Resolution will provide, for the benefit of the holders from time to time of the 1998 Bonds, a legally valid and binding pledge of and interest in and to the Gas Tax Revenues (as defined in the Bond Resolution), and all funds established by the Bond Resolution, including the investments, if any, therein, subject to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(f) The Preliminary Official Statement was, as of the date thereof, and the Official Statement is, and at all times subsequent hereto up to and including the date of the Closing will be (except for the information under the heading "MUNICIPAL BOND INSURANCE," as to which no representation is made), (i) true and correct in all material respects and (ii) not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Official Statement prepared and furnished by the County pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) The 1998 Bonds, the Bond Resolution and the Agreement conform in a material respect to the descriptions thereof contained in the Official Statement as it is delivered in final form.

(h) Except as contemplated by the Official Statement, the County has not or will not have incurred any material liabilities, direct or contingent, or entered into any material transaction in each case other than in the ordinary course of its business, and there has not or shall not have been any material adverse change in the financial condition of the County.

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the best knowledge of the County, threatened, which may affect the corporate existence of the County or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the 1998 Bonds or the collection of the Gas Tax Revenues pledged or to be pledged to pay the principal of and interest on the 1998 Bonds, or which in any way contests or affects the validity or enforceability of the 1998 Bonds, the Bond Resolution, this Bond Purchase Contract, the Agreement and the Bond Registrar Agreement, or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the County or contests the tax-exempt status of the interest on the 1998 Bonds as described in the Official Statement, or which contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or which contests the power of the County or any authority or proceedings for the issuance and sale of the 1998 Bonds or delivery of this Bond Purchase Contract, the Agreement, the Bond Registrar Agreement, or any of them, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity or enforceability of the 1998 Bonds, the Bond Resolution, the Agreement, the Bond Registrar Agreement or this Bond Purchase Contract.

(j) The County will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the 1998 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the 1998 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the 1998 Bonds; provided that the County shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now so subject.

(k) The County will advise the Underwriters promptly of any proposal to amend or supplement the Official Statement and will not effect any such amendment or supplement without the consent of the Underwriters. The County will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the 1998 Bonds.

7. The Closing. At 10:00 a.m., eastern daylight time, on August __, 1998, or at such earlier or later time or date to which the County and the Underwriters may mutually agree, the County will, subject to the terms and conditions hereof, deliver the 1998 Bonds to the Underwriters in full book-entry form, duly executed, together with the other documents hereinafter mentioned,

and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the aggregate purchase price of the 1998 Bonds as set forth in Paragraph 1 hereof in Federal Funds to the County (such delivery of and payment for the 1998 Bonds is herein called the "Closing"). The County shall cause CUSIP identification numbers to be printed on the 1998 Bonds, but neither the failure to print such number on any 1998 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the 1998 Bonds in accordance with the terms of this Bond Purchase Contract. The Closing shall occur at the offices of the County, or such other place to which the County and the Underwriters shall have mutually agreed. The 1998 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the FAST procedure is used which requires the Registrar to retain possession of the 1998 Bonds.

8. Closing Conditions. The Underwriters have entered into this Bond Purchase Contract in reliance upon the representations of the County contained herein and in reliance upon the representations to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Contract to purchase, to accept delivery of and to pay for the 1998 Bonds shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments at or prior to the closing, and shall also be subject to the following additional conditions:

(a) The representations of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Bond Resolution, the Agreement and the Bond Registrar Agreement and this Bond Purchase Contract shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, and the Official Statement as delivered to the Underwriters on the date hereof shall not have been supplemented or amended, except in any such case as may have been approved by the Underwriters;

(c) At the time of the Closing, all official action of the County relating to this Bond Purchase Contract, the 1998 Bonds, the Bond Resolution, the Bond Registrar Agreement, the Municipal Bond Insurance Policy and the Agreement taken as of the date hereof shall be in full force and effect and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Underwriters prior to the Closing;

(d) At the time of the Closing, except as contemplated by the Official Statement, there shall have been no material adverse change in the status of the Project as described in the Official Statement;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) An opinion, dated the date of the Closing and addressed to the County, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel to the County, in substantially the form attached as Appendix D to the Official Statement, relating to the exclusion of the interest on the 1998 Bonds from the gross income of the holders thereof for purposes of federal income taxation, accompanied by a letter authorizing the Underwriters to rely thereon as though such opinion were addressed to the Underwriters;

(2) An opinion, dated the date of the Closing and addressed to the Underwriters, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel to the County, stating that they may rely on the aforesaid opinion as if it were addressed to them in substantially the form attached hereto as Exhibit D;

(3) An opinion, dated the date of the Closing and addressed to the Underwriters, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel to the County, in substantially the form attached hereto as Exhibit E;

(4) An opinion, dated the date of the Closing and addressed to the Underwriters, of Squire, Sanders & Dempsey L.L.P., Jacksonville, Florida, Disclosure Counsel to the County, in substantially the form attached hereto as Exhibit F;

(5) An opinion, dated the date of Closing and addressed to the Underwriters, of Michael S. Mullin, Esquire, the County Attorney, in substantially the form attached hereto as Exhibit G;

(6) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Bond Insurer, in such form as is mutually and reasonably acceptable to the County and the Underwriters;

(7) A certificate, dated the date of the Closing, signed by the Chairman, the Clerk and the County Coordinator of the County in substantially the form attached hereto as Exhibit H (but in lieu of or in conjunction with such certificate the Underwriters may, in its sole discretion, accept certificates or opinions of Bond Counsel to the County, the County Attorney, or of other counsel acceptable to the Underwriters, that in the opinion of such counsel the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(8) Certified copies of the proceedings of the Board of County Commissioners authorizing and approving the issuance of the 1998 Bonds;

(9) a copy of the municipal bond insurance policy issued by MBIA Insurance Corporation insuring payment of the 1998 Bonds;

(10) Evidence of a Aaa rating from Moody's Investors Service and of an AAA rating from Fitch on the 1998 Bonds or such other ratings to which the Underwriters may agree;

(11) a copy of the executed Agreement between the County and the State Board of Administration regarding the refunding of the Refunded Bonds;

(12) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations and agreements of the County contained herein and the truth, accuracy and completeness of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of the Closing of all agreements then to be performed and conditions then to be satisfied by it.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters, with such exceptions and modifications as shall be approved by the Underwriters and as shall not in the opinion of the Underwriters materially impair the investment quality of the 1998 Bonds. The opinions and certificates referred to in clauses (2), (3), (4) and (6) of this subparagraph (e) shall be deemed satisfactory provided they are substantially in the forms attached as exhibits to this Bond Purchase Contract.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 1998 Bonds contained in this Bond Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the 1998 Bonds shall be terminated for any reason permitted by this Bond Purchase Contract, this Bond Purchase Contract shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the County shall return the good faith check referred to in Paragraph 5 and the respective obligations of the County and the Underwriters set forth in Paragraph 10 hereof shall continue in full force and effect.

9. Termination. The Underwriters may terminate this Bond Purchase Contract by notice to the County in the event that between the date hereof and the Closing (a) legislation shall be enacted by the Congress of the United States or introduced in or reported out of a committee of or adopted by either House thereof, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency having jurisdiction, shall be made, with respect to federal or Florida taxation of revenues or other income of the general character expected to be derived by the County or upon interest received on securities of the general character of the 1998 Bonds or which would have the effect of changing, directly or indirectly, the federal income tax or Florida tax consequences of receipt of interest on securities of the general character of the 1998 Bonds in the hands of the holders thereof, which in the reasonable opinion of Bond Counsel would materially adversely affect the market price of the 1998 Bonds; (b) there shall have occurred any new outbreak of hostilities or substantial escalation thereof, or other national or international calamity or crisis, the effect of such outbreak, escalation, calamity or crisis being such as, in the reasonable judgment of Bond Counsel, would materially and adversely affect the ability of the Underwriters to market the 1998 Bonds or to enforce contracts for the sale of the 1998 Bonds or has caused a material disruption in the market for the 1998 Bonds; (c) there shall be in force a general suspension of trading on the New York

Stock Exchange as the result of an event affecting the national economy; (d) a general banking moratorium shall have been established by federal, New York or Florida authorities; or (e) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriters, makes untrue or incorrect, as of such time, in any material respect, any material statement or information contained in the Official Statement or which is not reflected in the Official Statement, but should be reflected therein in order to make the statements and information contained therein not misleading as of such time.

10. Expenses. The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the obligations of the County hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Bond Resolution; (b) the cost of preparation and printing of the 1998 Bonds; (c) the fees and disbursements of Bond Counsel, Disclosure Counsel and the Counsel to the County; (d) the fees and disbursements of any experts, consultants or advisors retained by the County; (e) fees for bond ratings; (f) the premium for municipal bond insurance; (g) the fees and expenses of the Registrar and the Paying Agent; (h) the costs of preparing, printing and delivering the Preliminary Official Statement, the Official Statement and any supplements or amendments to them; however, the County shall have no obligation to pay any fees, costs or other amounts relating to any supplements or amendments to the Official Statement to the extent such amendment or supplement is prepared after the period described in paragraph 2(c) hereof (provided that for purposes of this paragraph, the end of the underwriting period shall be deemed to be the date of the Closing).

The Underwriters shall pay: (a) the cost of preparing, printing and delivering any agreements among Underwriters; (b) the cost of all "blue sky" and legal investment memoranda and related filing fees; (c) all advertising expenses; and (d) all other expenses incurred by them or any of them in connection with the public offering of the 1998 Bonds, including the fees and disbursements of counsel retained by them, if any. In the event that either party shall have paid obligations of the other as set forth in this Section 10, adjustment shall be made at the time of the Closing.

11. Notices. Any notice or other communication to be given to the County under this Bond Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to First Union Capital Markets, 111 2nd Avenue, N.E., Suite 850, St. Petersburg, Florida 33701, Attn: Todd Holder.

12. Parties in Interest. This Bond Purchase Contract is made solely for the benefit of the County and the Underwriters (including the successors or assignees of the County or any Underwriters) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations in this Bond Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of any of the Underwriters; (ii) the delivery of and payment for the 1998 Bonds pursuant to this Bond Purchase Contract; or (iii) any termination of this Bond Purchase Contract but only to the extent provided by the last paragraph of Section 8 hereof.

13. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters, in its their

sole discretion, and the approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Senior Managing Underwriter, as representative of the Underwriters, and delivered to you.

14. Effectiveness. This Bond Purchase Contract shall become effective upon the execution of the acceptance hereof by the Chairman, Board of County Commissioners, of the County and attestation by the Clerk and shall be valid and enforceable at the time of such acceptance.

15. Counterparts. This Bond Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

16. Headings. The headings of the sections of this Bond Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

17. Florida Law Governs. The validity, interpretation and performance of this Bond Purchase Contract shall be governed by the laws of the State of Florida.

18. Entire Agreement. This Bond Purchase Contract when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the County and the Underwriters (including the successors or assigns of the County and any Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

FIRST UNION CAPITAL MARKETS, A
DIVISION OF WHEAT FIRST BUTCHER
SINGER, as representative of the Underwriters
named herein

By: _____
Title: _____

Accepted by:
NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

[SEAL)

ATTEST:

Clerk of the Circuit Court in and for
Nassau County, Florida, ex-officio clerk of the
Board of County Commissioners of
Nassau County, Florida

EXHIBIT A

TERMS OF 1998 BONDS
MATURITY SCHEDULE

SERIAL BONDS

<u>Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
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TERM BONDS

Optional Redemption

The 1998 Bonds maturing on and before October 1, 20__, may not be redeemed prior to their stated dates of maturity. The 1998 Bonds maturing on or after October 1, 20__, may be redeemed prior to their maturity, at the option of the County, in whole at any time or in part on any Interest Payment Date on or after October 1, 20__, at the redemption prices (expressed as a percentage of the principal amount of the 1998 Bonds to be redeemed), plus interest accrued to the redemption date as set forth below:

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
October 1, 20__ through September 30, 20__	%
October 1, 20__ and thereafter	

If less than all of the 1998 Bonds subject to optional redemption are called for optional redemption, the 1998 Bonds to be redeemed shall be selected in such order of maturity and manner as the County, in its discretion, shall determine, and if less than all of the 1998 Bonds of a maturity shall be called for redemption, the 1998 Bonds to be redeemed shall be selected by lot within such maturity.

Amortization Installment Redemption

The 1998 Bonds maturing on October 1, 20__ are subject to mandatory redemption from amounts credited monthly to the Bond Amortization Account as mandatory Amortization Installments, in part, by lot, prior to maturity, on October 1, 20__, and on each October 1 thereafter in the years and amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date of redemption:

Year	Amount
	\$
*	

*Maturity

EXHIBIT B

\$ _____
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BONDS,
SERIES 1998

DISCLOSURE STATEMENT

August __, 1998

Chairman, Board of County Commissioners
of Nassau County, Florida
191 Nassau Place
Yulee, Florida 32097

Dear Sir:

In connection with the proposed issuance by Nassau County, Florida (the "County"), of \$ _____ principal amount of the issue of bonds referred to above (the "1998 Bonds"), First Union Capital Markets, A.G. Edwards & Sons, Inc. and SunTrust Equitable Securities (collectively the "Underwriters"), have agreed to underwrite a public offering of the 1998 Bonds. Arrangement for underwriting the 1998 Bonds will include a Bond Purchase Contract between the County and the Underwriters.

The purpose of this instrument is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect to the arrangement contemplated for the underwriting of the 1998 Bonds, as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters and paid by the Underwriters in connection with the purchase and re-offering of the 1998 Bonds are set forth on Schedule I, attached hereto.

(b) No person has entered into an understanding with the Underwriters, or to the knowledge of the Underwriters, with the County for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriters for the purpose of influencing any transaction in connection with the purchase of the 1998 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

Per \$1,000
Bond

Management Fee
Average Takedown
Underwriting Risk
Underwriters' Expense

Total Underwriting Spread

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the 1998 Bonds to any person not regularly employed or retained by the Underwriters (including any "finder," as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriters, as set forth in Schedule I attached hereto.

(e) The names and addresses of the Underwriters are set forth below:

First Union Capital Markets
111 2nd Avenue, N.E., Suite 815
St. Petersburg, Florida 33701

A.G. Edwards & Sons, Inc.
500 N. Westshore Blvd., Suite 750
Tampa, Florida 33609

SunTrust Equitable Securities
200 S. Orange Avenue
M/C 0-1102, Tower 10
Orlando, Florida 32801

We understand that you do not require any further disclosure from the Underwriters, pursuant to Section 218.385(4), Florida Statutes, as amended.

Very truly yours,

FIRST UNION CAPITAL MARKETS, as
representative of the Underwriters

By: _____
Title: _____

SCHEDULE I TO EXHIBIT B

ESTIMATED UNDERWRITER'S FEE AND EXPENSES

<u>UNDERWRITERS' DISCOUNT</u>	<u>Per Bond</u>	<u>Dollar Amount</u>
Management Fee	\$	\$
Average Takedown		
Underwriting Risk		
Underwriters' Expenses		
Total Underwriting Spread	\$	\$

DETAILED EXPENSE BREAKDOWN

Legal Fees and Expenses	\$	\$
Day Loan		
PSA		
DTC		
CUSIP		
Analytical		
MISC		
	_____	_____
Total Underwriting Expenses	\$	\$

EXHIBIT C

TRUTH-IN-BONDING STATEMENT

Chairman, Board of County Commissioners
of Nassau County, Florida
191 Nassau Place
Yulee, Florida 32097

Re: \$ _____
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BONDS, SERIES 1998

Dear Sir:

In connection with the proposed issuance by Nassau County, Florida (the "County"), of the bonds referred to above (the "1998 Bonds"), First Union Capital Markets, A.G. Edwards & Sons, Inc. and SunTrust Equitable Securities (the "Underwriters") have agreed to underwrite a public offering of the 1998 Bonds. Arrangements for underwriting the 1998 Bonds will include a Bond Purchase Contract between the County and the Underwriters.

The purpose of this instrument is to furnish, pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the truth-in-bonding statement required thereby, as follows:

(a) The County is proposing to issue \$ _____ of its limited obligations for the purposes of (1) acquiring and constructing certain road improvements, and (2) refunding the outstanding State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services for the benefit of the County, dated May 1, 1974 (the "Refunded Bonds"), as described in the Bond Resolution and as contemplated by the Official Statement. This obligation is expected to be repaid over a period of ____ years. At a true interest cost of _____%, total interest paid over the life of the obligation will be \$ _____.

(b) The sources of repayment for the 1998 Bonds are (i) the proceeds of the sale of the 1998 Bonds pending application thereof, (ii) the Gas Tax Revenues (as defined in the Bond Resolution), and (iii) all funds and accounts established by the Bond Resolution, including the investment income, if any, thereof, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution. Authorizing this obligation will result in approximately \$ _____ of the above sources of repayment not being available to finance the other services of the County for each year for ____ years.

The foregoing is provided for informational purposes only and shall not affect or control the actual terms and conditions of the 1998 Bonds.

Yours very truly,

FIRST UNION CAPITAL MARKETS, as
Representative of the Underwriters

By: _____
Title: _____

EXHIBIT D

RELIANCE OPINION OF BOND COUNSEL

August __, 1998

First Union Capital Markets
A. G. Edwards & Sons, Inc.
SunTrust Equitable Securities
as Underwriters pursuant to
that certain Bond Purchase
Contract, dated August __, 1998

Re: \$_____ Nassau County, Florida, Gas Tax Revenue Bonds, Series 1998

Ladies and Gentlemen:

We have served as Bond Counsel to the County in connection with the issuance of the above-captioned bonds (the "Bonds") and have issued our final approving opinion with respect to such Bonds dated the date hereof.

This is to advise you that you are entitled to rely on our final approving opinion as if such opinion were addressed to you.

Very truly yours,

NABORS, GIBLIN & NICKERSON, P.A.

EXHIBIT E

OPINION OF BOND COUNSEL

First Union Capital Markets
A. G. Edwards & Sons, Inc.
SunTrust Equitable Securities
as Underwriters pursuant to
that certain Bond Purchase
Contract, dated August __, 1998

Ladies and Gentlemen:

We have served as Bond Counsel to Nassau County, Florida in connection with the issuance and sale of its \$_____ Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds"), to the Underwriters named in the Bond Purchase Contract referred to herein. Terms used herein which are defined in said Bond Purchase Contract shall have the meanings specified herein.

We have examined, among other things, the Act, Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.43, Florida Statutes, Section 206.60, Florida Statutes, Section 336.021, Florida Statutes, the Bond Resolution, the proceedings of the Board of County Commissioners of the County with respect to the authorization and issuance of the 1998 Bonds, the proceedings of the Board of County Commissioners of the County with respect to the authorization, execution and delivery of each of the Agreement and the Official Statement and such certificates and other documents relating to the County, the 1998 Bonds, the Bond Resolution, the Municipal Bond Insurance Policy and the Agreement and have made such other examination of applicable Florida and other laws as we have deemed necessary in giving this opinion.

Based upon the foregoing, we are of the opinion that:

(a) The 1998 Bonds are exempted securities as described in Section 3(a)(2) of the Securities Act of 1933 and Section 304(a)(4) of the Trust Indenture Act, each as amended and now in effect, and the offer and sale of the 1998 Bonds does not require any registration under such Securities Act or the qualification of any indenture under the Trust Indenture Act of 1939, each as amended and now in effect.

(b) The statements contained in the Official Statement under the captions "INTRODUCTION," "PURPOSE OF THE 1998 BONDS," "DESCRIPTION OF THE 1998 BONDS," "SECURITY FOR THE 1998 BONDS," "APPLICATION OF GAS TAX REVENUES UNDER THE RESOLUTION," and "TAX EXEMPTION" insofar as such statements constitute summaries of certain provisions of the 1998 Bonds, the Bond Resolution, the Act, and the documents referred to therein present a fair and accurate summary of such provisions.

We hereby consent to references to us contained in the Official Statement.

We are furnishing this letter to you, as Underwriters of the 1998 Bonds, solely for your benefit. The letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

NABORS, GIBLIN & NICKERSON, P.A.

EXHIBIT F

OPINION OF DISCLOSURE COUNSEL

August __, 1998

Chairman, Board of County Commissioners
of Nassau County, Florida

Re: \$_____ Nassau County, Florida, Gas Tax Revenue
Bonds, Series 1998 (the "Bonds")

This opinion is rendered to you in connection with the offering and sale of the Bonds in our capacity as disclosure counsel to the County. In rendering this opinion we have reviewed: the Preliminary Official Statement, dated July __, 1998, and the final Official Statement, dated August __, 1998, both with respect to the Bonds (collectively, the "Official Statement"). We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, records and instruments as we have considered necessary or appropriate for the purpose of rendering this opinion, including Ordinance No. ____ of the County enacted on August __, 1998, and Resolution No. ____ of the County, as supplemented, adopted on July 27, 1998 (collectively, the "Resolution"). In addition, certain of our attorneys participated in telephone conferences and meetings with representatives of the County, the County's financial advisor and the Underwriters concerning the contents of the Official Statement and related matters.

We have examined the Securities Act of 1933, as amended, and the rules, regulations and interpretations thereunder; the Securities Exchange Act of 1934, as amended, and the rules, regulations and interpretations thereunder, including, particularly, Rule 15c2-12 promulgated thereunder; the Trust Indenture Act of 1939, as amended, and the rules, regulations and interpretations thereunder, and the Florida Securities and Investor Protection Act.

Based upon our examination and discussions, we are of the opinion that, under existing law:

(a) The Bonds are not subject to the registration requirements of either the Securities Act of 1933, as amended, or the Florida Securities and Investor Protection Act; and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(b) The County has authorized the distribution of the Official Statement.

(c) Based upon our participation in the preparation of the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the

statements contained in the Official Statement, as of the date hereof, nothing has come to the attention of the attorneys assigned to and responsible for this matter, causing us to believe that the Official Statement as of its date contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for the financial and statistical data contained in the Official Statement and in the appendices thereto, as to which no view is expressed).

This opinion may be relied on by the Underwriters as if it had been addressed to them, but no other person or entity without our prior, express written consent.

Respectfully submitted,

EXHIBIT G

OPINION OF COUNTY ATTORNEY

August __, 1998

First Union Capital Markets
111 2nd Avenue, N.E., Suite 815
St. Petersburg, Florida 33701

A.G. Edwards & Sons, Inc.
500 N. Westshore Blvd, Suite 750
Tampa, Florida 33609

SunTrust Equitable Securities
200 S. Orange Avenue
M/C 0-102, Tower 10
Orlando, Florida 32801

Ladies and Gentlemen:

I have served as counsel to Nassau County, Florida, in connection with the issuance and sale of its \$_____ Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds"), to the Underwriters named in the Bond Purchase Contract referred to herein. Terms used herein which are defined in said Bond Purchase Contract shall have the meanings specified therein or, if not defined therein, in the Official Statement, dated August __, 1998, relating to the 1998 Bonds.

I have examined, among other things, the Act, Chapter 125, Florida Statutes, Section 206.41 Florida Statutes, Section 206.47, Florida Statutes, Section 206.60, Florida Statutes, Section 336.021, Florida Statutes, the Bond Resolution, the proceedings of the Board of County Commissioners with respect to the authorization and issuance of the 1998 Bonds and the authorization, execution and delivery of the Agreement providing for the refunding of the Refunded Bonds between the County and the State Board of Administration (the "Agreement"), the Municipal Bond Insurance Policy, the Bond Purchase Contract and the Official Statement and such certificates and other documents relating to the County, the 1998 Bonds and the Bond Resolution, and have made such other examination of applicable Florida law as I have deemed necessary in giving this opinion.

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

- (a) The County is duly existing as a political subdivision of the State of Florida, has full legal right, power and authority to issue the 1998 Bonds.
- (b) The execution and delivery of the Bond Purchase Contract, the Agreement and the Official Statement have been duly authorized by the County.
- (c) The Agreement and the Bond Purchase Contract have been duly executed and delivered by the County and, assuming due authorization and execution by the other parties thereto, are valid and enforceable against the County in accordance with their respective terms.

(d) The execution and delivery of the Bond Purchase Contract, the Agreement and the 1998 Bonds by the County, the adoption and implementation of the Bond Resolution, and compliance with the provisions of the Bond Purchase Contract, the Agreement and the Bond Resolution and the 1998 Bonds, will not conflict with or constitute a breach of any Florida law, administrative regulation or court decree of any Florida court to which the County is subject.

(e) The Bond Resolution has been duly adopted and is valid, binding and enforceable against the County in accordance with its terms.

(f) The authorization, execution and delivery by the County of the Bond Resolution and the County's compliance with all terms and provisions thereof will not be a breach of, or constitute a default under, the terms and conditions of any indenture, resolution, loan, contract or other agreement to which the County is a party or by which the County or its properties is or may be bound.

(g) The statements contained in the Official Statement under the captions "INTRODUCTION," "NASSAU COUNTY," "THE PROJECT" and "LITIGATION" are true, correct and complete in all material respects and do not omit any material fact known to me, which, in my opinion, should be included or referred to therein so as to make the information or statements made therein not misleading.

(h) Based upon my participation in the preparation of the Official Statement as County Attorney and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, I have no reason to believe that the Official Statement (except for the financial and statistical information included therein, including the information in the Appendices thereto, as to which I express no view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as aforesaid).

It is to be understood that the rights and obligations of the parties under the Bond Purchase Contract and the Bond Resolution and the enforceability thereof may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State of Florida and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization and other laws affecting creditors' rights.

I am furnishing this letter to you, as Underwriters of the 1998 Bonds, solely for your benefit. The letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

EXHIBIT H

\$ _____
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BONDS,
SERIES 1998

CERTIFICATE

The undersigned, Chairman of the Board of County Commissioners and the Clerk of the Circuit Court in and for Nassau County, Florida, and County Coordinator (herein collectively referred to as the "County"), do hereby certify as follows:

1. To the best of our knowledge and belief, the representations of the County contained in the Bond Purchase Contract dated August __, 1998, between the County and the Underwriters named therein (the "Bond Purchase Contract"), with respect to the sale by the County of \$ _____ Nassau County, Florida, Gas Tax Revenue Bonds, Series 1998, (the "1998 Bonds"), are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing.

2. Except as disclosed in the Official Statement, dated August __, 1998, relating to the 1998 Bonds (the "Official Statement"), no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority or public board or body, is pending against or, to the best of our knowledge, threatened against the County, affecting the legal existence of the County or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the 1998 Bonds or the collection of the Gas Tax Revenues pledged or to be pledged to pay the principal of and interest on the 1998 Bonds, or in any way contesting or affecting the validity or enforceability of the 1998 Bonds, the Bond Resolution, the Bond Purchase Contract and the Agreement (as defined in the Bond Purchase Contract) or contesting the tax-exempt status of the interest on the 1998 Bonds as described in the Official Statement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or any authority or proceedings for the issuance, sale and delivery of the 1998 Bonds, the adoption of the Bond Resolution or the execution and delivery of the Bond Purchase Contract and the Agreement or the performance of the County's obligations under the Bond Resolution, the Bond Purchase Contract, the Agreement, nor to the best of our knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the 1998 Bonds, the Bond Resolution, the Agreement or the Bond Purchase Contract.

3. To the best of our knowledge, no event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement.

4. The County has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof pursuant to the Bond Purchase Contract.

5. All capitalized terms employed herein which are not otherwise defined shall have the same meanings as in the Bond Purchase Contract.

August __, 1998

Chairman, Board of County Commissioners

Clerk of the Circuit Court in and for
Nassau County, Florida, ex-officio Clerk of the
Board of County Commissioners of
Nassau County, Florida

County Coordinator

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

Initial Draft
SS&D
July 8, 1998

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 1998

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: Moody's: __
 S&P: __
 (__ Insured)
(See "Ratings" herein)

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX EXEMPTION," interest on the Series 1998 Bonds (a) is excludable 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. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences described herein under "TAX EXEMPTION." In the opinion of Bond Counsel, the Series 1998 Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

\$ _____ *
NASSAU COUNTY, FLORIDA
GAS TAX REVENUE BONDS, SERIES 1998

Dated: August 1, 1998

Due: October 1, as shown below

The Gas Tax Revenue Bonds, Series 1998 (the "Series 1998 Bonds") of Nassau County, Florida (the "County"), will be issued only as fully registered bonds and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 1998 Bonds. The Series 1998 Bonds will be available to purchasers in denominations of \$5,000 and any multiple thereof only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 1998 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 1998 Bond, he must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 1998 Bond. See "DESCRIPTION OF THE SERIES 1998 BONDS - Book-Entry Only System" herein. Interest on the Series 1998 Bonds will be payable on October 1 and April 1 of each year, commencing on April 1, 1999.

The Series 1998 Bonds are subject to mandatory and optional redemption as described herein.

The Series 1998 Bonds are being issued under the authority of, and in full compliance with, the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.47, Florida Statutes, Section 206.60, Florida Statutes, Section 336.021, Florida Statutes, and other applicable provisions of law (the "Act"), Ordinance No. _____ enacted

by the Board of County Commissioners on July __, 1998, and Resolution No. ____ adopted by the Board of County Commissioners on July __, 1998, as supplemented, to finance the costs of (1) the refunding the outstanding State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services for the benefit of the County, dated May 1, 1974, (2) the acquisition and construction of road improvements within the County, and (3) paying certain expenses related to the issuance and sale of the Series 1998 Bonds. See the discussion under the headings "PURPOSE OF ISSUE" and THE PROJECT" herein.

The Series 1998 Bonds and the premium, if any, and interest thereon are limited, special obligations of the County payable solely from and secured by a prior lien upon and pledge of the proceeds of the Constitutional Gas Tax, the County Gas Tax and the Ninth Cent Gas Tax (herein collectively referred to as, the "Gas Tax Revenues") received by the County and, until expended, the moneys on deposit in the funds and accounts created by the Resolution. Such monies and the Gas Tax Revenues are sometimes herein collectively referred to as the "Pledged Funds". See the information under the heading "SECURITY FOR THE SERIES 1998 BONDS" herein.

The payment of the principal of and interest on the Series 1998 Bonds when due will be insured by a municipal bond insurance policy to be issued by MBIA Insurance Corporation simultaneously with the delivery of the Series 1998 Bonds. See the material under the heading "MUNICIPAL BOND INSURANCE" herein.

[Insurer LOGO]

The Series 1998 Bonds do not constitute general obligations or indebtedness of, or a pledge of the faith, credit or taxing power, of the County or of the State of Florida or any agency or political subdivision thereof, but are limited, special obligations of the County, the principal of, premium, if any, and interest on which are payable solely from and secured by a prior lien upon and pledge of the Pledged Funds. Neither the County, nor the State of Florida or any agency or political subdivision thereof, will be obligated (1) to exercise its ad valorem taxing power or any other taxing power in any form on any real or personal property to pay the principal of, premium, if any, or interest on the Series 1998 Bonds, or other costs incident thereto, or (2) to pay the same from any funds of the County except from the Pledged Funds described herein, in the manner provided in the Resolution. The Series 1998 Bonds do not constitute a lien upon any property of the County or within or without the County, in the manner provided in the Resolution.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

\$ _____ Serial Bonds

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
---------------------------------------	-----------------------------------	--------------------------------	---------------------------------	---------------------------------------	-----------------------------------	--------------------------------	---------------------------------

\$ _____ % Term Bonds, due October 1, 20 __, Yield _____ %

\$ _____ % Term Bonds, due October 1, 20 __, Yield _____ %

Accrued interest from August 1, 1998, to be added)

The Series 1998 Bonds are offered when, as and if issued, subject to receipt of the legal opinion of Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed on for the County by Michael S. Mullin, Esquire, County Attorney, and by Squire, Sanders & Dempsey L.L.P., Disclosure Counsel. William R. Hough & Co., Jacksonville, Florida, is acting as financial advisor to the County. It is expected that the Series 1998 Bonds will be available for delivery to the Underwriters in New York, New York, on or about August __, 1998.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision.

FIRST UNION CAPITAL MARKETS

A.G. EDWARDS & SONS, INC.

SUNTRUST EQUITABLE SECURITIES

Dated: July __, 1998

*Preliminary, subject to change

[RED HERRING LANGUAGE]

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 1998 Bonds may not be sold nor may offers to buy Series 1998 Bonds be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 1998 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The County has deemed this Preliminary Official Statement “final,” except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

NASSAU COUNTY, FLORIDA
3163 Bailey Road
Fernandina Beach, Florida 32035
(904) 321-5700

BOARD OF COUNTY COMMISSIONERS

Chris Kirkland, Chairman
Nick B. Deonas, Vice Chair
John A. Crawford, Commissioner
J. H. "Pete" Cooper, Commissioner
Marianne Marshall, Commissioner

CLERK OF THE CIRCUIT COURT

J. M. "Chip" Oxley, Jr.

COUNTY COORDINATOR

Walter Gossett

COUNTY ATTORNEY

Michael S. Mullin, Esquire

BOND COUNSEL

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

FINANCIAL ADVISOR

William R. Hough & Co.
Jacksonville, Florida

No dealer, broker, salesman or other person has been authorized by Nassau County, Florida to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 1998 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the County and includes information obtained from other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the County since the date hereof.

Upon issuance, the Series 1998 Bonds will not be registered under the Securities Act of 1933, will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the County, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 1998 Bonds for sale.

IN CONNECTION WITH THE OFFERING OF THE SERIES 1998 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 1998 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they may be obtained from J. M. "Chip" Oxley, Jr., Clerk of the Circuit Court in and for Nassau County, Florida, ex-officio Clerk of the Board of County Commissioners, 191 Nassau Place, Yulee, Florida 32097, telephone (904) 321-5700, upon prepayment of reproduction costs, postage and handling expenses.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information and to the definitions contained or incorporated in this Official Statement. The offering of the Series 1998 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use this Summary Statement without this entire Official Statement. For a complete description of the terms and conditions of the contract between the County and the Registered Owners of the Series 1998 Bonds, reference is made to the form of Resolution, hereinafter defined, which is included herein as Appendix C.

The County

Nassau County is one of 4 counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is 34 miles north of Jacksonville (Duval County). It is bordered on the north by the State of Georgia, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Marys River and the Atlantic Ocean. Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

Authority for Issuance

The Series 1998 Bonds are being issued under the authority of, and in full compliance with, the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.47, Florida Statutes, Section 206.60, Florida Statutes, Section 336.021, Florida Statutes, and other applicable provisions of law (the "Act"), Ordinance No. _____, enacted by the Board of County Commissioners of the County on July __, 1998, and Resolution No. 98-__ adopted by the Board of County Commissioners on July __, 1998 (the "Resolution").

Purpose of the Series 1998 Bonds

The proceeds to be received from the sale of the Series 1998 Bonds will be used by the County pursuant to the Resolution to provide funds (1) to refund the outstanding \$1,290,000 State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services for the benefit of the County, dated May 1, 1974, (2) to pay the costs of the acquisition and construction of certain road improvements in the County, and (3) to pay certain expenses related to the issuance and sale of the Series 1998 Bonds. See "PURPOSE OF THE SERIES 1998 BONDS", "ESTIMATED SOURCES AND USES OF FUNDS," "THE REFUNDING" and "THE PROJECT" herein.

Sources and Security of Payment for the Series 1998 Bonds

The Series 1998 Bonds are special, limited obligations of the County payable solely from and secured by a pledge of and lien upon (1) the Gas Tax Revenues, as further described herein, and (2) until expended, the moneys on deposit in certain funds and accounts created by the Resolution. The Series 1998 Bonds and the indebtedness evidenced thereby do not constitute a lien upon any property of or in the County, all in the manner provided in the Resolution. See the information under the heading "SECURITY FOR THE SERIES 1998 BONDS" herein.

Reserve Account Requirement

The County has covenanted in the Resolution to maintain a Reserve Account equal to the Reserve Account Requirement on the Series 1998 Bonds, as more particularly described herein under the heading "SECURITY FOR THE SERIES 1998 BONDS -- Reserve Account," herein.

Municipal Bond Insurance

Payment of the principal of and interest on the Series 1998 Bonds when due will be insured by a municipal bond insurance policy to be issued simultaneously with the delivery of the Series 1998 Bonds by MBIA Insurance Corporation. For a discussion of the terms and provisions of the municipal bond insurance policy including the limitations thereof, see "MUNICIPAL BOND INSURANCE" herein.

Description of the Bonds

Redemption. The Series 1998 Bonds maturing on and before October 1, 20__, are not subject to their stated dates of redemption prior to maturity. The Series 1998 Bonds maturing on or after October 1, 20__, are subject to redemption prior to maturity, at the option of the County, on or after October 1, 20__, as a whole at any time or in part on any interest payment date, as designated by the County, and by lot within a maturity at the redemption prices set forth herein. The Series 1998 Term Bonds maturing in the years 20__ and 20__ are subject to mandatory redemption prior to their stated dates of maturity, in part, by lot, as selected by the Bond Registrar. For more complete information, see the information under the heading "DESCRIPTION OF THE SERIES 1998 BONDS" and the caption "Redemption" thereunder.

Denominations. The Series 1998 Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Book-Entry Only System. The Series 1998 Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 1998 Bonds. The Series 1998 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 1998 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 1998 Bond, he must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 1998 Bond. See "DESCRIPTION OF THE SERIES 1998 BONDS - Book-Entry Only System" herein.

Paying Agent and Registrar. _____ will serve as Paying Agent and Registrar for the Series 1998 Bonds.

For a more complete description of the Series 1998 Bonds and the basic documentation pursuant to which the Series 1998 Bonds are issued, see "DESCRIPTION OF THE SERIES 1998 BONDS" and "SECURITY FOR THE SERIES 1998 BONDS" herein.

Continuing Disclosure

The County has undertaken in the Resolution [in an agreement with the Underwriters] to comply with the provisions of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission by providing certain annual financial information and material event notices required by the Rule. See "CONTINUING DISCLOSURE" herein.

Tax Exemption

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Series 1998 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 1998 Bonds received by certain corporations will, however, be includable in the computation of the federal alternative minimum tax imposed on corporations by the Internal Revenue Code of 1986, as amended (the "Code") as hereinafter discussed. Failure by the County to comply, subsequent to the issuance of the Series 1998 Bonds, with certain requirements of the Code regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 1998 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue.

In the opinion of Bond Counsel, the Series 1998 Bonds are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

Offering and Delivery of the Bonds

The Series 1998 Bonds are offered when, as and if issued, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida, Bond Counsel, and the satisfaction of certain other conditions. It is anticipated that the Series 1998 Bonds in definitive form will be available for delivery in New York, New York, on or about August __, 1998.

End of Summary Statement

OFFICIAL STATEMENT
relating to
\$ _____ *
Nassau County, Florida
Gas Tax Revenue Bonds, Series 1998

INTRODUCTION

The purpose of this Official Statement, including the cover page, the Summary Statement, and all appendices, is to furnish information in connection with the sale by Nassau County, Florida (the "County") of its \$ _____ * aggregate principal amount of Gas Tax Revenue Bonds, Series 1998 (the "Series 1998 Bonds"). The Series 1998 Bonds are being issued pursuant to the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Section 206.41, Florida Statutes, Section 206.47, Florida Statutes, Section 206.60, Florida Statutes, Section 336.021, Florida Statutes, and other applicable provisions of law (the "Act"), Ordinance No. _____ enacted by the Board of County Commissioners of the County on July __, 1998, and Resolution No. 98-__ adopted by the Board of County Commissioners on July __, 1998 (the "Resolution").

Capitalized terms used herein shall have the same meanings as given to them in the Resolution unless otherwise defined herein or where the context would clearly indicate otherwise. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 1998 Bonds, the security for the payment of the Series 1998 Bonds, and the rights and obligations of Registered Owners thereof. Copies of such documents may be obtained from J. M. "Chip" Oxley, Clerk of the Circuit Court in and for Nassau County, Florida, ex officio Clerk of the Board of County Commissioners, 191 Nassau Place, Yulee, Florida 32097, telephone (904) 321-5700, upon payment of reproduction costs and postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 1998 Bonds, other than the Resolution, is to be construed as a contract with the Registered Owners of the Series 1998 Bonds.

*Preliminary, subject to change.

PURPOSE OF THE SERIES 1998 BONDS

The Series 1998 Bonds are being issued to provide funds for the purpose of financing the costs of (1) the refunding of the State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services for the benefit of the County, dated May 1, 1974, in the original aggregate principal amount of \$3,500,000 and currently outstanding in the aggregate principal amount of \$1,290,000 (the "Refunded Bonds"), (2) the acquisition and construction of certain road improvements in the County (the "Project"), and (3) the payment of certain expenses relating to the issuance and sale of the Series 1998 Bonds. See "THE PROJECT" herein for a more-detailed description of the Project.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds for the Series 1998 Bonds.

SOURCES:

Principal Amount	\$.
Accrued Interest	
Original Issue Discount	()
TOTAL SOURCES	\$ _____

USES:

Deposit to State Board of Administration for payment of Refunded Bonds	\$
Deposit to Construction Fund	
Deposit to Debt Service Fund ⁽¹⁾	
Underwriters' Discount	.
Issuance Costs	_____.
TOTAL USES	\$ _____

(1) Includes accrued and capitalized interest through _____, 200__.

DESCRIPTION OF THE SERIES 1998 BONDS

General

The Series 1998 Bonds will be dated as of August 1, 1998, will be issued in fully registered form, in the denominations of \$5,000 each or any multiples thereof, and will bear interest from such date at the rates per annum, and mature on the dates and in the amounts as set forth on the cover page of this Official Statement. Interest on the Series 1998 Bonds will be payable semiannually on October 1 and April 1 of each year, commencing April 1, 1999. Principal of and premium, if any, and interest on the Series 1998

Bonds will be payable in the manner described below under “Book-Entry Only System”. The Series 1998 Bonds will be subject to redemption as described under “Redemption Provisions” herein.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, or its successor, will act as securities depository for the Series 1998 Bonds. The Series 1998 Bonds will be issued as fully registered bonds in the name of Cede & Co. (DTC’s partnership nominee).

So long as Cede & Co. is the Registered Owner of the Series 1998 Bonds, payments of the principal of and interest due on the Series 1998 Bonds will be payable directly to DTC. References herein to the registered owners of the Series 1998 Bonds shall mean DTC or Cede & Co., and shall not mean the Beneficial Owners referred to below.

DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the “Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges in deposited securities through electronic computerized book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Series 1998 Bonds under the DTC system may be made by or through Direct Participants, which will receive a credit for the Series 1998 Bonds on DTC’s records. The Participants purchasing the Series 1998 Bonds shall receive a credit balance in the records of DTC. The ownership interest of each actual purchaser of the Series 1998 Bonds (the “Beneficial Owner”) is in turn to be recorded in the records of the applicable DTC Direct or Indirect Participant. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership of the Series 1998 Bonds will be accomplished by entries made on the books of Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 1998 Bonds, except in the event that use of the book-entry system for the Series 1998 Bonds is discontinued.

To facilitate subsequent transfers, all Series 1998 Bonds deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Series 1998 Bonds and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 1998 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of the Series 1998 Bonds within a maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 1998 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 1998 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 1998 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 1998 Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 1998 Bond certificates will be printed and delivered.

The County may decide to discontinue use of the book-entry only system for transfers through DTC (or a successor securities depository). In such event, Series 1998 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC. Neither the County, the Paying Agent nor the Underwriters make any representation or warranty regarding the accuracy or completeness thereof.

Discontinuance of Securities Depository

DTC may discontinue providing its services with respect to the Series 1998 Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that the DTC book-entry only system is discontinued and it is not replaced with another book-entry system, the following provisions will apply: principal of the Series 1998 Bonds and redemption premium, if any, thereon will be payable in lawful money of the United States of America at the principal office of Bank of New York, as Paying Agent (the "Paying Agent"). Interest on the Series 1998 Bonds will be payable on each April 1 and October 1 by check or draft mailed to the respective addresses of the Registered Owners thereof as shown on the registration books of the County maintained by the Registrar as of 5:00 P.M. Eastern Time on the record date therefor as set forth in the Resolution; provided, however, that the Registered Owner of any Series 1998 Bond in the principal amount of \$1,000,000 or more may, upon written request made to the Registrar and at the expense of such Registered Owner, direct that payment of interest thereon be made by wire transfer or any other medium acceptable to the County and to such Registered Owner, all as more specifically provided in the Resolution. The transfer of the Series 1998 Bonds will be registrable and they may be exchanged at the principal office of the Registrar, upon the payment of any taxes, fees or other governmental charges required to be paid with respect to such transfer or exchange.

Registration, Transfer and Exchange

The Series 1998 Bonds will be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Laws of the State of Florida, subject to the DTC book-entry only system and to the provisions for registration, exchange and transfer contained in the Resolution and in the Series 1998 Bonds. The Series 1998 Bonds will be transferable only upon the registration books maintained for such purpose at the corporate trust office of the Registrar. So long as any of the Series 1998 Bonds remain outstanding, the Registrar must maintain and keep the bond registration books.

All Series 1998 Bonds presented for transfer or exchange (if so required by the County or the 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 County or the Registrar, duly executed by the Registered Owner or by his or her duly authorized attorney.

The Registrar may charge the Registered Owner a sum sufficient to reimburse it for any expenses incurred in connection with any exchange or transfer after the first such exchange or transfer following the initial delivery of the Series 1998 Bonds. The Registrar or the County may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any new Bonds shall be delivered.

The County and the Registrar shall not be required to transfer or exchange any Series 1998 Bonds (a) during a period beginning at the opening of business on the 15th day next preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date next succeeding, or (b) selected for redemption in whole or in part, whether or not notice of redemption has been formally given.

New Series 1998 Bonds delivered upon any transfer or exchange will be valid obligations of the County, evidencing the same debt as the Series 1998 Bonds surrendered, will be secured by the Resolution,

and will be entitled to all of the security and benefits of the Resolution to the same extent as the Series 1998 Bonds surrendered.

Whenever any Series 1998 Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 1998 Bond shall be canceled and destroyed by the Registrar as authorized by law, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the County.

Redemption Provisions

Optional Redemption. The Series 1998 Bonds maturing on or after October 1, 20__, are subject to redemption prior to maturity, at the option of the County, on or after October 1, 20__, as a whole at any time or in part on any interest payment date, as designated by the County, and by lot within a maturity at the respective redemption prices (expressed as a percentage of principal amount to be redeemed) set forth in the tables below together, in each case, with accrued interest to the date fixed for redemption:

Period During Which Redeemed <u>(Both dates inclusive)</u>	Redemption <u>Price</u>
October 1, 20__ through September 30, 20__	
October 1, 20__ and thereafter	

Amortization Installments. The Series 1998 Term Bonds maturing on October 1, 20__ and October 1, 20__, respectively, are to be retired from amounts credited monthly to the Bond Amortization Account as mandatory Amortization Installments, which amounts are required to be sufficient to retire by October 1 of each year the principal amount of such Series 1998 Bonds set forth in the table below:

<u>20__ Term Bonds</u>		<u>20__ Term Bonds</u>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

* Maturity

Notice and Effect of Redemption

Notice of redemption, which shall specify the Series 1998 Bond or Series 1998 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the County, and (A) shall be filed with the Paying Agents of such Series 1998 Bonds, (B) shall be mailed first class, postage prepaid, at least thirty (30) days prior to the redemption date to all Holders of Series 1998 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar, and (C) shall be mailed, registered or certified, postage prepaid, or by telecopy or facsimile transmission at least thirty-five (35) days prior to the redemption date to the registered securities depositaries and two or more nationally recognized municipal bond information services. Failure to mail notice to the Holders of the Series 1998 Bonds to be redeemed, or any defect therein, shall not affect the validity of the proceedings of redemption of such Series 1998 Bonds as to which no such failure or defect has occurred. Notice of any

redemption of Series 1998 Bonds at the option of the County shall be given only upon the prior deposit into the Debt Service Fund of sufficient amounts to effect such redemption.

Each notice of redemption shall state: (1) the CUSIP numbers of all Series 1998 Bonds being redeemed; (2) the original issue date of such Series 1998 Bonds; (3) the maturity date and rate of interest borne by each Series 1998 Bond being redeemed; (4) the redemption date; (5) the Redemption Price; (6) the date on which such notice is mailed; (7) if less than all outstanding Series 1998 Bonds are to be redeemed the certificate number (and, in the case of a partial redemption of any Series 1998 Bond, the principal amount) of each Series 1998 Bond to be redeemed; (8) that on such redemption date there shall become due and payable upon each Series 1998 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 1998 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable; (9) that the Series 1998 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the redemption price at the principal office of the Registrar at an address specified; and (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption.

Any Series 1998 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the County shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 1998 Bond, without service charge, a new Series 1998 Bond or Series 1998 Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 1998 Bonds so surrendered.

Notice of redemption having been given substantially as aforesaid, the Series 1998 Bonds or portions of Series 1998 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the County shall default in the payment of the Redemption Price) such Series 1998 Bonds or portions of Series 1998 Bonds shall cease to bear interest. Upon surrender of such Series 1998 Bonds for redemption in accordance with said notice, such Series 1998 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 1998 Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

DEBT SERVICE SCHEDULE

The following table sets forth the annual principal and interest requirements for the Series 1998 Bonds for each Bond Year ending October 1.

<u>Bond Year</u> <u>Ending 10/1</u>		<u>Principal</u>		<u>Interest</u>		<u>Total Debt</u> <u>Service</u>
2001	\$		\$		\$	
2002						
2003						
2004						
2005						
2006						
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						

(1) Includes accrued interest and \$_____ of capitalized interest.

SECURITY FOR THE SERIES 1998 BONDS

General

The principal of and interest on the Series 1998 Bonds are payable from and secured by a prior lien upon and a pledge of payments received by the County derived from the Constitutional Gas Tax, the County Gas Tax and the Ninth Cent Gas Tax, as defined in the Resolution and as hereinafter described (collectively, the "Gas Tax Revenues"), and until applied in accordance with the provisions of the Resolution and to the extent not required to be rebated to the United States Treasury, all monies, including investment earnings thereon, in the funds and accounts established under the Resolution. Such monies and the Gas Tax Revenues are sometimes herein called collectively the "Pledged Funds."

THE SERIES 1998 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, BUT WILL BE PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN AND PLEDGE OF THE PLEDGED FUNDS. THE RESOLUTION PROVIDES THAT NO REGISTERED OWNER OR OWNERS OF ANY OF THE SERIES 1998 BONDS WILL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY 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 COUNTY EXCEPT FROM THE PLEDGED FUNDS.

Reserve Account

The Resolution requires the County to fund a subaccount in the Reserve Account for the Series 1998 Bonds in an amount equal to the lesser of (i) the Maximum Annual Debt Service in the Series 1998 Bonds; (ii) 125% of the average debt service for the Series 1998 Bonds, or (iii) an amount equal to 10% of the proceeds of the sale of the Series 1998 Bonds (the "Reserve Account Requirement").

The County may, at its sole option, deposit to the credit of the Reserve Account in lieu of its own moneys or proceeds of the Series 1998 Bonds a municipal bond debt service reserve account insurance policy ("Reserve Account Insurance Policy") or a letter of credit issued by any bank or national banking institution ("Reserve Account Letter of Credit"), which provides the County with immediate access to an amount of money equal to the Reserve Account Requirement to be used to pay debt service on the Series 1998 Bonds if the Pledged Funds are insufficient therefor.

Upon the delivery of the Series 1998 Bonds, the County will satisfy the Reserve Account Requirement for the Series 1998 Bonds by depositing to the credit of the Reserve Account a Reserve Account Insurance Policy in an amount equal to the Reserve Account Requirement for the Series 1998 Bonds. Said Reserve Account Insurance Policy will be provided by MBIA Insurance Corporation as more specifically described below.

Reserve Account Insurance Policy. The Reserve Account Insurance Policy will be issued in the face amount equal to the Reserve Account Requirement for the Series 1998 Bonds and the premium therefor will be fully paid by the County at the time of delivery of the Series 1998 Bonds. The Reserve Account Insurance Policy provides that upon the later of (i) one day after receipt by the Insurer of a demand for

payment executed by the Registrar and Paying Agent certifying that provision for the payment of principal of or interest on the Series 1998 Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to the Insurer, the Insurer will promptly deposit funds with the Registrar and Paying Agent sufficient to enable the Registrar and Paying Agent to make such payments due on the Series 1998 Bonds.

Pursuant to the terms of the Reserve Account Insurance Policy, the coverage is automatically reduced to the extent of each payment made by the Insurer under the terms of the Reserve Account Insurance Policy and the County is required to reimburse the Insurer for any draws under the Reserve Account Insurance Policy with interest at a market rate. Upon such reimbursement, the Reserve Account Insurance Policy is reinstated to the extent of each principal reimbursement up to but not exceeding the coverage. The reimbursement obligation of the County is subordinate to the County's obligations with respect to the Series 1998 Bonds.

In the event the amount on deposit, or credited to the Reserve Account, exceeds the amount of the Reserve Account Insurance Policy, any draw on the Reserve Account Insurance Policy shall be made only after all the funds in the subaccount in the Reserve Account allocable to the Series 1998 Bonds have been expended.

The Reserve Account Insurance Policy does not insure against nonpayment caused by the insolvency or negligence of the Registrar and Paying Agent.

Moneys in the Reserve Account are to be used only for the purpose of paying debt service on the Series 1998 Bonds when the other moneys allocated to the Debt Service Fund are insufficient therefor. Any withdrawals from the Reserve Account are to be restored from the first available moneys after all required current payments have been made into the Debt Service Fund and accounts therein.

For financial information regarding the Insurer, see "MUNICIPAL BOND INSURANCE" herein.

MUNICIPAL BOND INSURANCE

The following information has been furnished by MBIA Insurance Corporation (the "Insurer") for use in this Official Statement. Reference is made to Appendix E for a specimen of the Insurer's policy.

The Insurer's policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the County to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity, or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on the Series 1998 Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Insurer's policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Series 1998 Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a "Preference").

The Insurer's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Series 1998 Bond. The Insurer's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Series 1998 Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. The Insurer's policy also does not insure against nonpayment of principal of or interest on the Series 1998 Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Series 1998 Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of a Series 1998 Bond the payment of an insured amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Series 1998 Bonds or presentment of such other proof of ownership of the Series 1998 Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Series 1998 Bonds as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Series 1998 Bonds in any legal proceeding related to payment of insured amounts on the Series 1998 Bonds, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Series 1998 Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

The Insurer is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company. MBIA Inc. is not obligated to pay the debts of or claims against the Insurer. The Insurer is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. The Insurer has two European branches, one in the Republic of France and the other in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by the Insurer, changes in control and transactions among affiliates. Additionally, the Insurer is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

As of December 31, 1996, the Insurer had admitted assets of \$4.4 billion (audited), total liabilities of \$3.0 billion (audited), and total capital and surplus of \$1.4 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of September 30, 1997, the Insurer had admitted assets of \$5.1 billion (unaudited), total liabilities of \$3.4 billion (unaudited), and total capital and surplus of \$1.7 billion (unaudited)

determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Furthermore, copies of the Insurer's year end financial statements prepared in accordance with statutory accounting practices are available without charge from the Insurer. A copy of the Annual Report on Form 10-K of MBIA Inc. is available from the Insurer or the Securities and Exchange Commission. The address of the Insurer is 113 King Street, Armonk, New York 10504. The telephone number of the Insurer is (914) 273-4545.

Moody's Investors Service, Inc. rates the claims paying ability of the Insurer "Aaa".

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., rates the claims paying ability of the Insurer "AAA".

Fitch IBCA, Inc. (formerly known as Fitch Investors Service, L.P.) rates the claims paying ability of the Insurer "AAA".

Each rating of the Insurer should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of the Insurer and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Series 1998 Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Series 1998 Bonds. The Insurer does not guaranty the market price of the Series 1998 Bonds nor does it guaranty that the ratings on the Series 1998 Bonds will not be revised or withdrawn.

THE REFUNDING

From the proceeds of the Series 1998 Bonds, the County shall deposit \$_____ with the State Board of Administration of the State of Florida. Such proceeds shall be invested in direct obligations of the United State of America in the manner set forth in that certain letter agreement, dated July __, 1998, between the County and the State Board which investments shall mature at such times and in such amounts as will be sufficient to pay the principal of, redemption premium, and interest on the refunded State of Florida Full Faith and Credit Nassau County Road Bonds issued by the Division of Bond Finance of the Department of General Services, dated May 1, 1974 (the "Refunded Bonds"), on _____, 1998, the date of redemption of the Refunded Bonds.

THE PROJECT

The Project consists of the acquisition and construction of various road improvements in Nassau County. The Project will be commenced in _____, 19__ and is expected to be completed by _____, 19__. The estimated cost of the Project is \$_____.

[Expand Description of Project]

THE GAS TAX REVENUES

The Constitutional Gas Tax

By the terms of Section 9(c) of Article XII of the Florida Constitution, the Legislature of the State of Florida is required to continue the levy of the two cents (2¢) per gallon gasoline tax provided for in Section 16 of Article IX of the Florida Constitution of 1885, as amended.

Florida's Constitution provides a formula for distribution of the constitutional gas tax to the counties as follows: one-fourth on the basis of population, as shown by the most recent U.S. Census; one-fourth on the basis of area; and one-half on the basis of the ratio of the constitutional gas tax collections in each county of the total constitutional gas tax collections in the entire State in the previous year.

The Florida Constitution further provides that 80% of each county's gas tax allocation will be remitted to the State agency supervising the State road system and 20% will be remitted to the respective counties, subject to increases in the counties' allocated portion by general law. Section 336.024, Florida Statutes, provides that the 80% portion of the constitutional gas tax is distributed in the same manner as the 20% portion. The State Board of Administration continues to administer the constitutional gas tax funds. The constitutional gas tax may be used, first, to pay debt service on bonds authorized pursuant to Article XII, Section 9(c) of the Florida Constitution and, thereafter, for the acquisition and construction of roads and for road maintenance, as authorized by law.

CONSTITUTIONAL GAS TAX COLLECTIONS OF THE
STATE AND PORTION ALLOCATED TO NASSAU COUNTY

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>State Wide</u> <u>Constitutional</u> <u>Gas Tax Collections</u>	<u>Constitutional</u> <u>Gas Tax Allocated</u> <u>for use in</u> <u>Nassau County</u>
1987	\$	\$
1988		
1989		
1990		
1991		
1992		
1993		
1994		
1995		
1996		
1997		

Source: State Board of Administration

The County Gas Tax

Pursuant to Sections 206.60 and 206.87, Florida Statutes, the State of Florida levies a tax of one cent per gallon on certain motor fuel and special fuel, respectively, sold within the State. The proceeds from these taxes, known as the County Gas Tax, are allocated and distributed each month to the counties within the State pursuant to Sections 206.60(2)(b) and 206.875(2), Florida Statutes, respectively, using the same formula used in the distribution of the constitutional gas tax. Counties may use these proceeds solely to acquire rights-of-way; construction, reconstruction, operation, maintenance and repair of transportation facilities, roads, bridges therein; or for the payment of bonded indebtedness incurred for transportation purposes.

COUNTY GAS TAX COLLECTIONS AND ALLOCATIONS TO NASSAU COUNTY

<u>Fiscal Year Ended June 30</u>	<u>County Gas Tax Collected in State</u>	<u>County Gas Tax Allocated to Nassau County</u>
1987	\$	\$
1988		
1989		
1990		
1991		
1992		
1993		
1994		
1995		
1996		
1997		

Source: State Board of Administration

The Ninth Cent Gas Tax

In addition to the motor fuel and special fuel taxes levied by the State, every county in the State may by extraordinary vote of its governing body or by referendum, impose a one cent tax, known as the Ninth Cent Gas Tax, upon certain motor fuels and special fuels sold within such county and taxed pursuant to Chapter 206, Florida Statutes. The Board of County Commissioners of the County, by enacting Ordinance No. 95-27 on October 23, 1995, imposed the Ninth Cent Gas Tax. The proceeds of the Ninth Cent Gas Tax are remitted to the State which redistribute them monthly to the county in which they were collected. Revenues from the Ninth Cent Gas Tax may be used to pay the costs and expenses of establishing, constructing, acquiring or maintaining transportation assets as well as to pay debt services for such projects.

NINTH CENT GAS TAX DISTRIBUTION TO NASSAU COUNTY

<u>YEAR</u>	<u>AMOUNT</u>
1996	\$
1997	

Covenants of County Regarding Gas Tax Revenues

The County covenants in the Resolution to do all things necessary on its part to maintain its eligibility to participate in the distribution of the Gas Tax Revenues. The County will diligently perform all steps required on its part in the levy and collection of Gas Tax Revenues and will exercise all legally available remedies to enforce such collections available under State law.

In addition, in the Resolution the County covenants to keep books and records of the receipt of the Gas Tax Revenues in accordance with generally accepted accounting principles and any Credit Bank, Insurer, or Holder or Holders of Bonds shall have the right at all reasonable times to inspect such records, accounts and data.

The County also covenants that within one hundred eighty (180) days of the close of each Fiscal Year it will cause to be prepared and filed with the Clerk and mailed to any Insurer and all Holders who shall have filed their names and addresses with the Clerk for such purpose a statement setting forth in respect of the preceding Fiscal Year: (A) the amount of the Gas Tax Revenues received in the preceding Fiscal Year; (B) the total amounts deposited to the credit of each fund, account and subaccount created under the provisions of the Resolution; (C) the principal amount of all Bonds issued, paid, purchased or redeemed; and (D) the amounts on deposit at the end of such Fiscal Year to the credit of each such fund, account or subaccount.

NASSAU COUNTY, FLORIDA
SCHEDULE OF HISTORICAL AND BUDGETED GAS TAX REVENUES
Fiscal Years Ending September 30, 1992 through September 30, 1998

	Historical Fiscal Years Ending September 30						Budgeted Fiscal Year Ending September 30 1998
	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	
Constitutional Gas Tax	\$	\$	\$	\$	\$	\$	\$
County Gas Tax							
Ninth Cent Gas Tax							
Total Gas Taxes	\$	\$	\$	\$	\$	\$	\$
Debt Service Coverage							

APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION

Creation of Funds and Accounts

In the Resolution, the County covenants and agrees to establish three (3) separate funds: Revenue Fund, Debt Service Fund and Rebate Fund. In the Revenue Fund, two (2) accounts are established: Restricted Revenue Account and Unrestricted Revenue Account. In the Debt Service Fund, four (4) accounts are established: Interest Account, Principal Account, Bond Amortization Account and Reserve Account.

Accounting Treatment of Funds and Accounts

The Resolution provides that the moneys required to be accounted for in each of the funds, accounts and subaccounts may be deposited in a single bank account, and the moneys allocated to the various funds, accounts and subaccounts may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts.

The designation and establishment of the various funds, accounts and subaccounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

Flow of Funds

The Resolution requires the County to promptly deposit the Gas Tax Revenues into the Restricted Revenue Account in the Revenue Fund. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the last day of each month, commencing in the month immediately following delivery of the Series 1998 Bonds to the purchasers thereof, in the following manner and in the following order of priority:

Interest Account. The County shall deposit or credit to the Interest Account the sum which, together with the balance on deposit in said Account, shall equal the interest on all Outstanding Bonds (other than Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on all Outstanding Bonds, on a pro-rata basis, as and when the same become due, whether by redemption or otherwise, and for no other purpose. The County shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date.

Principal Account. The County shall next deposit into the Principal Account, the sum which, together with the balance on deposit in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue daily (assuming that a year consists of twelve (12) equivalent calendar months of thirty (30) days each) in equal amounts from the next preceding principal payment due date or, if there is no such preceding principal payment due date, from a date on year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of all Outstanding Bonds, on a pro-rata basis, as and when the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the Bond Year in which such Bonds mature and monthly deposits or credits into the Principal Account shall commence in the month of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date.

Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited to the Bond Amortization Account the sum which, together with the balance on deposit in such Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bond Outstanding next due which would have accrued on such Bonds during the then currently calendar month if such Amortization Installments were deemed to accrue daily (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Amortization Installment due date, or if there be no such preceding Amortization Installment due date, from one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. The County shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installments so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on

the Term Bonds for which such Amortization Installment was established) may be applied by the County, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the County shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Resolution, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The County shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agent, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agent to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the County from the Revenue Fund.

Reserve Account. The Resolution requires that the County establish within the Reserve Account a separate subaccount for each Series of Bonds. The moneys on deposit in each such subaccount shall be applied solely for the payment of maturing principal of, Redemption Price, if applicable, or interest or Amortization Installments on the Series of Bonds for which it is designated and shall not be available to pay debt service on any other Series. The Resolution requires that there shall be deposited to each subaccount of the Reserve Account such sum, if any, as will be necessary to immediately restore any funds on deposit in each such subaccount to an amount equal to the Reserve Account Requirement applicable thereto including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein; provided, in no event shall the amount deposited in the subaccounts of the applicable Reserve Account be less than (a) one fourth (1/4) of the amount which would enable the County to restore the funds on deposit in each subaccount to an amount equal to the Reserve Account Requirement in four (4) months from the date of such shortfall in the event such shortfall is a result of a decrease in the market value of Authorized Investments on deposit therein, or (b) one twelfth (1/12) of the amount which would enable the County to restore the funds on deposit in each such subaccount to an amount equal to the Reserve Account Requirement in one (1) year from the date of such shortfall if such shortfall is a result of a withdrawal from such subaccount(s). To the extent there are insufficient moneys in the Revenue Fund to make the required monthly deposit into such subaccount of the Reserve Account, such deposit shall be made to each subaccount. On or prior to each principal and interest payment date for the Bonds, moneys in each subaccount of the Reserve Account shall be applied by the County to the payment of the principal of, or Redemption Price, if applicable, and interest on related Series of Bonds to the extent moneys in the Interest Account, the Principal Account, the Bond Amortization Account and the Unrestricted Revenue Account are insufficient therefor. Whenever there shall be surplus moneys in any subaccount of the Reserve Account by reason of a decrease in the Reserve Account Requirement, such surplus moneys shall be deposited by the County first, on a pro rata basis, into other subaccounts, if any, containing less than the Reserve Account Requirement applicable thereof and, second, into the Unrestricted Revenue Account.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions of the Resolution, the County shall, on the date of delivery of such Series of Bonds, fund the corresponding subaccount of the Reserve Account established for such Series in an amount at least equal to the Reserve Account Requirement applicable to such Series of Bonds. Such required amount may be paid in full or in

part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the appropriate subaccount of the Reserve Account over a period of months from the date of issuance of such Series of Bonds, which shall not exceed the greater of (a) twenty-four (24) months, or (b) the number of months for which interest on such Series of Bonds has been capitalized, as determined by a supplemental Resolution. In the event moneys in the subaccount of the Reserve Account are accumulated as provided above, fifty percent (50%) of the Reserve Account Requirement applicable to such subaccount shall be funded upon delivery of such Series of Bonds.

Notwithstanding the foregoing provisions, in lieu of the required deposits into a subaccount of the Reserve Account, the County may cause to be deposited into such subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in such subaccount, if any. The issuer providing such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall either be (a) an insurer (i) licensed to issue an insurance policy guaranteeing the timely payment of debt service on a Series of Bonds whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated AAA by Standard & Poor's Corporation or Aaa by Moody's, or (ii) is approved in advance by the Insurer of the Series of Bonds to be secured by which have been assigned a rating of at least AA by Standard & Poor's Corporation. In addition, such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be for a term of not less than twelve (12) months.

Cash on deposit in any subaccount of the Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on a Reserve Account Letter of Credit or Reserve Account Insurance Policy. If and to the extent a Reserve Account Letter of Credit and Reserve Account Insurance Policy are deposited into a Reserve Account subaccount or more than one Reserve Account Letter of Credit or Reserve Account Insurance Policy are deposited into a Reserve Account subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

If fifteen (15) days prior to an interest payment or redemption date, the County shall determine in regard to a Series of Bonds to which a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit has been deposited in the subaccount of the Reserve Account related to such Series that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on such Series of Bonds on such date, the County shall immediately notify (i) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit, (ii) the Insurer, if any, of such Series of Bonds, of the amount of such deficiency and the date on which such payment is due, and (iii) take or cause the Paying Agent to take whatever action may be required to effectuate a disbursement under said Reserve Account Insurance Policy and/or Reserve Account Letter of Credit in order to fund such deficiency.

To the extent the County causes to be deposited into a subaccount of the Reserve Account, a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit for a term of years shorter than the life of the Series of Bonds so insured or secured or if such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit is subject to termination prior to the maturity of the Series of Bonds so insured, then the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit shall provide, among other things, that the issuer thereof shall provide the County with notice as of each anniversary of the date of the issuance of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit of the intention of the issuer thereof to either (a) extend the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit beyond the expiration dates thereof, or (b)

terminate the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit on the initial expiration dates thereof or such other future date as the issuer thereof shall have established. If the issuer of the Reserve Account Insurance Policy and/or Reserve Account Letter of Credit notifies the County pursuant to clause (b) of the immediately preceding sentence or if the County terminates the Reserve Account Letter of Credit and/or Reserve Account Insurance Policy or it otherwise terminates in accordance with its terms, then the County shall (a) deposit into the applicable subaccount of the Reserve Account, on or prior to the fifteenth (15th) day of the first full calendar month following the date on which such notice is received, such sums as shall be sufficient to pay an amount equal to a fraction, the numerator of which is one (1) and the denominator of which is equal to the number of months remaining in the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit of the Reserve Account Requirement for such subaccount on the date such notice was received (the maximum amount available, assuming full reimbursement by the County, under the Reserve Account Letter of Credit and/or the Reserve Account Insurance Policy to be reduced annually by an amount equal to the deposit to the applicable subaccount on the date such notice was received (the maximum amount available, assuming full reimbursement by the County, under the Reserve Account Letter of Credit and/or the Reserve Account Insurance Policy to be reduced annually by an amount equal to the deposit to the applicable subaccount of the Reserve Account during the previous twelve (12) month period) until amounts on deposit in such subaccount of the Reserve Account, as a result of the aforementioned deposits, and no later than upon the expiration of such Reserve Account Insurance Policy and/or such Reserve Account Letter of Credit, shall be equal to the Reserve Account Letter of Credit, shall be equal to the Reserve Account Requirement applicable thereto, and (b) on a parity basis, shall reimburse the provider of the terminated Reserve Account Insurance Policy and/or Reserve Account Letter of Credit all amounts due and owing under the terms and conditions of the reimbursement agreement between the County and such provider; the County may, with the prior written consent of the Insurer, if any, for the corresponding Series of Bonds obtain a new Reserve Account Letter of Credit or a new Reserve Account Insurance Policy in lieu of making the payments required hereby. Any Reserve Account Letter of Credit or Reserve Account Insurance Policy which shall expire or be subject to termination prior to the maturity of the Series of Bonds so insured or secured shall permit a draw in full on such Reserve Account Letter of Credit or Reserve Account Insurance Policy prior to the expiration or termination thereof. The Paying Agent shall be directed to draw on the Reserve Account Letter of Credit or Reserve Account Insurance Policy to the extent the applicable subaccount of the Reserve Account is not fully funded or a replacement Reserve Account Insurance Policy or Reserve Account Letter of Credit is not in place by the expiration or termination date thereof.

Unrestricted Revenue Account. The balance of any moneys remaining in the Restricted Revenue Account after the payments and deposit required by the Resolution may be transferred, at the discretion of the County, to the Unrestricted Revenue Account or any other appropriate fund or account of the County and be used for any lawful purpose.

Whenever the amount on deposit in a subaccount of the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay the corresponding series of all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), no further deposits to the Debt Service Fund for such Series need be made and the funds on deposit in such subaccount of the Reserve Account may be transferred to the other accounts of the Debt Service Fund for the payment of the Bonds.

The County, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the County's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

At least one (1) business day prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the County shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

In the event the County shall issue a Series of Bonds secured by a Credit Facility, the County may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest on such Series; provided one Series of Bonds shall not have preference in payment from the Pledged Funds over any other Series of Bonds. The County may also deposit moneys in such subaccounts at such other times and in such other amounts as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable supplemental Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of or Redemption Price, if applicable, and interest on such Bonds; provided such Credit Facility shall have no priority over Bondholders or the Insurer to amounts on deposit in the Debt Service Fund.

Rebate Fund. The Resolution provides that amounts on deposit in the Rebate Fund shall be held in trust by the County and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The County agrees to undertake all actions required of it in its Certificate as to Arbitrage and Certain Other Tax Matters, dated the date of issuance of the Series 1998 Bonds, relating to such Series 1998 Bonds, as well as any successor Certificate thereof, including, but not limited to:

- (A) making a determination in accordance with the Internal Revenue Code of the amount required to be deposited in the Rebate Fund;
- (B) depositing the amount determined in clause (A) above into the Rebate Fund;
- (C) paying on the dates and in the manner required by the Internal Revenue Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the County such amounts as shall be required by the Internal Revenue Code to be rebated to the United States Treasury; and
- (D) keeping such records of the determinations made pursuant to the Resolution as shall be required by the Internal Revenue Code, as well as evidence of the fair market value of any investments purchased with "gross proceeds" of the Bonds (as defined in the Internal Revenue Code).

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

Investments

The Resolution provides that the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the

laws of the State. Moneys on deposit in the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such fund or account. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments which shall mature no later than five (5) years from the date of acquisition thereof. All investments shall be valued at cost, exclusive of accrued interest; provided that amounts on deposit in the Reserve Account shall be valued at market price. Valuation shall occur annually, except in the event of a withdrawal from the Reserve Account, whereupon investments shall be valued immediately after such withdrawal, and except that investments in the Reserve Account shall be valued whenever requested by an Insurer, and not less than semiannually. Notwithstanding any other provision, all amounts on deposit in the Interest Account representing accrued or capitalized interest shall be held by the County, shall be pledged solely to the payment of interest on the Series 1998 Bonds and shall be invested in United States Obligations maturing at such times and in such amounts as are necessary to pay the interest to which they are pledged.

Any and all income received by the County from the investment of moneys in the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the subaccount of the Reserve Account applicable to the Series 1998 Bonds (to the extent such income and the other amounts therein are less than the Reserve Account Requirement applicable thereto), shall be retained in such respective Fund, Account or subaccount. Any and all income received by the County from the investment of moneys in each subaccount of the Reserve Account (to the extent such income and the other amounts therein are greater than the Reserve Account Requirement applicable thereto) shall be deposited in the Interest Account. All investments shall be valued at cost.

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

ADDITIONAL BONDS

The Resolution provides that no Additional Bonds payable on a parity with the Series 1998 Bonds shall be issued except upon compliance with the following conditions and in the manner provided in the Resolution. Additional Bonds may be issued only for one or more of the following purposes: financing the cost of an additional Project or the completion thereof or of the initial Project, or refunding any or all Outstanding Bonds or any Subordinated Indebtedness of the County and upon compliance with the following conditions.

(A) There shall have been obtained and filed with the County a statement of an independent certified public accountant of reasonable experience and responsibility: (1) stating that the books and records of the County relating to the Gas Tax Revenues and Investment Earnings have been examined by him; (2) setting forth the amount of the Gas Tax Revenues and Investment Earnings which has been received by the County during any twelve (12) consecutive months designated by the County within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made and (3) stating that the amount of the Gas Tax Revenues and the Investment Earnings received during the aforementioned 12-month period equals at least 1.3 times (a) the Maximum Annual Debt Service of all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made and (b) any amounts then owing to the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy as a result of a drawdown on such Reserve Account Letter of Credit or Reserve Account Insurance Policy. Notwithstanding anything herein contained to the

contrary, if amounts owed to the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy are unpaid, no Additional Bonds may be issued without the prior written consent of the issuer of such Reserve Account Letter of Credit or Reserve Account Insurance Policy.

(B) For the purpose of determining the Maximum Annual Debt Service under Section 5.02(A) of the Resolution, the interest rate on additional parity Variable Rate Bonds then proposed to be issued and on Outstanding Variable Rate Bonds shall be deemed to be the Maximum Interest Rate.

(C) Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. Except as provided in Sections 4.02 and 4.05 of the Resolution, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other.

(D) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this section shall not apply, provided that (1) the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of principal of and interest on the Outstanding Bonds becoming due in the current Fiscal Year and all subsequent Fiscal Years, and (2) the Annual Debt Service on such Additional Bonds in any Fiscal Year does not exceed by more than ten percent (10%) the Annual Debt Service in any corresponding Fiscal Year on the Bonds being refunded. The conditions of subparagraph (A) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of the first sentence in this paragraph.

(E) In the event that the total amount of Series 1998 Bonds are not issued simultaneously, such Series 1998 Bonds which are subsequently issued shall be subject to the conditions of subparagraph (A) above.

(F) No Additional Bonds shall be issued if any event of default under the Resolution shall have occurred and be continuing.

INVESTMENT CONSIDERATIONS

General

Investment in any municipal security involves some degree of risk. Political, economic and regulatory factors may affect the issuers of Florida municipal securities, including the County. The following information constitutes only a brief summary of a number of complex factors affecting the financial situation in Florida generally and the County in particular.

Economic Trends

Florida state and local government obligations may be adversely affected by political and economic conditions and developments within Florida and the nation as a whole. While the Florida economy is experiencing strong population growth, there is no assurance this trend will continue. In addition, various limitations on the state, its governmental agencies and local governmental agencies and local governments,

including municipalities, may inhibit the ability of these issuers to repay existing indebtedness and issue additional indebtedness.

The ability of the County to repay the Series 1998 Bonds will depend upon the continued receipt of the Gas Tax Revenues in substantially the amounts projected by the County and the State of Florida Department of Revenue. The continued strength of these revenues is dependent upon the national, state and local economies and the overall fiscal strength of the County.

Enforceability of Remedies

The remedies available to the owners of the Series 1998 Bonds upon a default in payment of the Series 1998 Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the municipal bond insurance policy may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 1998 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors', enacted before or after such delivery and by the exercise of judicial discretion.

Limitation on State Revenues Amendment

At the November 8, 1994, general election, Florida voters approved an amendment to Article VII, Section 1(e) of the Florida Constitution, which is commonly referred to as the "Limitation on State Revenues Amendment." This amendment provides that state revenues collected for any fiscal year shall be limited to state revenues allowed under the amendment for the prior fiscal year plus an adjustment for growth. Growth is defined as an amount equal to the average annual rate of growth in Florida personal income over the most recent twenty (20) quarters times the state revenues allowed under the amendment for the prior fiscal year. State revenues collected for any fiscal year in excess of this limitation are required to be transferred to the budget stabilization fund until the fund reaches the maximum balance specified in Article III, Section 19(g) of the Florida Constitution, and thereafter are required to be refunded to taxpayers as provided by general law. The limitation on state revenues imposed by the amendment may be increased by a two-thirds vote of each house of the Legislature.

The term "state revenues," as used in the amendment, means taxes, fees, licenses and charges for services imposed by the Legislature on individuals, businesses or agencies outside state government. However, the term "state revenues" does not include certain revenues such as taxes, licenses, fees and charges for services imposed by local, regional or school district governing bodies. The amendment took effect on January 1, 1995, and was first applicable to state fiscal year 1995-96. The Pledged Funds are a source of revenue which may be subject to this amendment.

As stated above, the Limitation on State Revenues Amendment requires the Legislature, by general law, to prescribe procedures necessary to administer it. As of the date of this Official Statement, no such procedures have been prescribed. The Gas Tax Revenues include revenues from the State which are subject to, and limited by, the amendment and the future distribution of increases in such state revenues to the County may be adversely affected by the amendment.

It should be noted that many of the provisions of the amendment are ambiguous, and likely will not be clarified until Florida courts have ruled on their meaning. Further, it is unclear how the legislature will implement the language of the amendment and whether such implementing legislation itself will be the subject of further court interpretation.

NASSAU COUNTY, FLORIDA

Background

Nassau County is one of 4 counties comprising the Jacksonville Metropolitan Statistical Area. Located in the extreme northeast corner of Florida, the County is 34 miles north of Jacksonville (Duval County). It is bordered on the north by the State of Georgia, on the east by the Atlantic Ocean, and on the south by Duval County. Fernandina Beach, the County seat, is situated at the confluence of the St. Marys River and the Atlantic Ocean. Callahan, Fernandina Beach, and Hilliard are the incorporated areas in the County. Yulee, Bryceville, and Amelia Island are among the largest of the unincorporated areas.

The County's population has shown a steady growth in recent years, increasing from 32,894 according to the 1980 U.S. Census, to 43,941, 1990 U.S. Census (representing a 33.58% increase during those 10 years). The table below shows the population for the County and the steady growth it has had through the years.

1940 U.S. Census:	10,826
1950 U.S. Census:	12,811
1960 U.S. Census:	17,189
1970 U.S. Census:	20,626
1980 U.S. Census:	32,894
1990 U.S. Census:	43,941

Source: University of Florida Bureau of Economic and Business Research; U.S. Department of Commerce 1990 Census of Population and Housing for Florida

Government

The Board of County Commissioners of the County (the "Board"), is the principal legislative and governing body of the County, as provided by the Florida Constitution and Chapter 125, Florida Statutes. The Board consists of 5 commissioners elected by the voters for staggered terms of 4 years. The Chairman and Vice-Chairman are elected by the Board. The present commissioners and their terms of office are as follows:

<u>Member</u>	<u>Term Began</u>	<u>Term Ends</u>
Chris Kirkland, Chair	November, 1996	November, 2000
Nick B. Deonas, Vice-Chair	November, 1996	November, 2000
J. H. "Pete" Cooper	November, 1994	November, 1998
John A. Crawford	November, 1994	November, 1998
Marianne Marshall	November, 1996	November, 2000

Administration

The County Coordinator is appointed by the Board and is responsible for the administration, operation and maintenance of the County, excepting those responsibilities specifically delegated to other appointed officials. There is no definite term of office of the County Coordinator, as he or she holds office at the pleasure of the Board. Among the duties of the County Coordinator are the appointment of subordinate officers and employees, the supervision of departments, the making of recommendations to the Board, the submission of an annual budget, and the submission of an annual report of the operations of the County for the preceding fiscal year.

For administrative purposes, the County is divided into departments. Currently, there are _____
() departments including the County Coordinator's office.

Budgetary Process

Chapter 129, Florida Statutes, requires that the County's annual fiscal year budget be legally adopted at the fund level, and that any expenditures or contract of the expenditures of the fiscal year for more than the amount budgeted in each fund's budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution of the Board, subject to public hearing. Such resolution sets the budget appropriations on a fund-by-fund basis for the governmental and proprietary fund types. Budgets for the capital improvements program and the debt service fund are legally required. Budgets for agency and fiduciary funds are not legally required or adopted. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended. Outstanding encumbrances also lapse, but may be re-established in the succeeding fiscal year budget.

The Clerk of the Circuit Court prepares and submits the annual budget for the succeeding fiscal year, beginning October 1, to the Board. Prior to the presentation to the Board, the various departments submit budget requests and prepare recommendations for the Clerk's consideration. A summary of the tentative budget is advertised, publicly reviewed and revised prior to approval and adoption by the Board before the end of the prior fiscal year. The total appropriation for a fund may only be changed by resolution of the Board. Only the Board may approve an increase to a fund's budget and may transfer funds from an appropriated reserve to an expenditure appropriation, or change the amounts budgeted for a Constitutional Officer (Clerk of the Circuit Court, Supervisor of Elections and Sheriff).

If a budget is not enacted by October 1, Florida law provides for continued operation under the previous year's budget, subject to any amendments. For additional information regarding the County, see Appendix A hereto.

Description of Financial Practices and Financial Statements

The financial statements of the County are prepared in conformity with Generally Accepted Accounting Principles. The County uses funds and accounts groups to report on its financial position and the results of its operations. A summary of significant accounting policies of the County is contained in the notes to the County's financial statements, which are included in Appendix B hereto.

Investment Policy

Section 218.415, Florida Statutes, requires that the County either adopt its own, written investment policy or invest moneys only as permitted by the provisions of Section 218.415. Pursuant to Resolution No.

95-144, duly adopted on _____, 1995, the County adopted an Investment Policy that has as its objectives the (a) protection of County Funds; (b) providing of sufficient liquidity to meet the County's operations, payroll and capital requirements; (c) maximization of return on the investment portfolio, while minimizing the investment risk, and (d) setting of procedures to properly diversify the investment portfolio and minimize the inherent risk associated with investment portfolios. The Clerk is authorized to invest 100% of the investment portfolio in the Local Government Surplus Trust Fund administered by the State Board of Administration of the State of Florida. The "prudent person" standard is required to be used in the management of the County's investment portfolio.

Year 2000 Computer Remediation

As the year 2000 approaches, computer systems world-wide will undergo a date transition that may cause major problems and errors if corrective measures are not taken immediately. The problem arises in those systems and software programs which use two-digit date codes. These codes will recognize the year 2000 as the year 1900, causing many of the systems to malfunction or fail. Legislation has recently been introduced in the United States Senate which would require publicly traded corporations to include disclosures about the readiness of their computer systems and their ability to manage the risks associated with this issue. The legislation, if enacted, would require a discussion of five (5) recognized phases of Year 2000 Remediation: awareness, assessment, renovations, validation and implementation.

The County is currently conducting an assessment of its systems which need to be modified or replaced in order to be year 2000 compliant and is evaluating the cost involved to achieve such compliance. Once this assessment is complete, the County will begin the process of preparing its computer and information systems and programs to the year 2000 ready.

The County will take the necessary steps and reasonably believes it has the financial resources available to modify and test its systems and programs to ensure that they are year 2000 compliant prior to January 1, 2000.

GENERAL PURPOSE FINANCIAL STATEMENTS

Included in Appendix B are excerpts of the audited general purpose financial statements of the County as of September 30, 1997, and for the year then ended. Such excerpts from the Comprehensive Annual Financial Report, including the auditor's report, have been included in this Official Statement as public documents and consent from the auditor was not requested. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Series 1998 Bonds.

The Series 1998 Bonds are payable solely from the Pledged Funds, as described herein. The General Purpose Financial Statements included in Appendix B are presented for general information purposes only.

LITIGATION

General

The County is a defendant from time to time in various lawsuits. It is the opinion of the County Attorney that none of the actions presently pending will have a material effect upon the finances of the

County or its right to receive, budget and appropriate the Pledged Funds as provided in the Resolution. There is no pending or, to the knowledge of the County, threatened litigation against the County which in any way questions or affects the validity of the Series 1998 Bonds, or any proceedings or transactions relating to their issuance, sale, delivery or payment.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the interest on the Series 1998 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 1998 Bonds received by certain corporations will, however, be includable in the computation of the federal alternative minimum tax imposed on corporations by the Internal Revenue Code of 1986, as amended (the "Code") as hereinafter discussed. Failure by the County to comply, subsequent to the issuance of the Series 1998 Bonds, with certain requirements of the Code regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 1998 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The County has covenanted in the Bond Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 1998 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 1998 Bonds, including, among other things, restrictions relating to the use of the investment of the proceeds of the Series 1998 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 1998 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 1998 Bonds being included in gross income for federal income tax purposes retroactive to their dates of issue.

Alternative Minimum Tax on Corporations

The Code also includes for taxable years beginning after 1986 alternative minimum tax on a corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income will include 75% of the amount by which "adjusted current earnings" of such corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts and REMICS) exceeds its alternative minimum taxable income (before such adjustment item and the alternative tax net operating loss deduction). Interest on the Series 1998 Bonds would be includable in the "adjusted current earnings" of a corporation for purposes of such alternative minimum tax.

Financial Institutions

Banks and thrift institutions are generally unable to deduct any portion of the interest expense allocable to purchasing or carrying tax-exempt obligations (except "qualified tax-exempt obligations") if such interest costs are incurred in taxable years ending December 31, 1986, with respect to bonds acquired after August 7, 1986. An exception is provided for "qualified tax-exempt obligations" specifically designated as such by the County. The Series 1998 Bonds do not qualify for the exception.

Collateral Tax Consequences

Prospective purchasers of the Series 1998 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits including tax-exempt interest such as interest on the Series 1998 Bonds. Prospective purchasers of the Series 1998 Bonds should consult their tax advisors as to the applicability and impact of these consequences.

Florida Taxes

In the opinion of Bond Counsel, the Series 1998 Bonds and the income thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

Other Tax Matters

Interest on the Series 1998 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 1998 Bonds should consult their tax advisors as to the income tax status of interest on the Series 1998 Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 1998 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 1998 Bonds. From time to time, legislative proposals are pending which could have an effect on both the Series 1998 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 1998 Bonds.

Original Issue Discount

The difference between the principal amount of the Series 1998 Bonds maturing on October 1 in the years 19__ through and including 20)) and 20)) through and including 20)), and the Series 1998 Term Bonds maturing on October 1, 20)) and October 1, 20)), respectively (the “Discount Bonds”), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold, is “original issue discount.” Original issue discount represents interest which is excluded from gross income; however, such interest is taken into account for purposes of determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations and may result in the collateral federal tax consequences described above. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded periodically. A purchaser who acquires Discount Bonds at the initial offering price thereof to the public will be treated as receiving an amount of interest excluded from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or the disposition of such Discount Bonds. Proceeds received

from the sale, exchange, redemption or payment of a Discount Bond in excess of the holder's adjusted basis (as increased by the amount of original issue discount which has accrued and is treated as tax-exempt interest in the hands of such holder), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Holders of Discount Bonds should consult their own tax advisor with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

LEGAL OPINION

Legal matters incident to the issuance of the Series 1998 Bonds and with regard to the tax-exempt status of the interest on the Series 1998 Bonds (see "TAX EXEMPTION") are subject to the legal opinion of Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida, whose fees and expenses for legal services as Bond Counsel will be paid by the County from a portion of the proceeds of the Series 1998 Bonds. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 1998 Bonds, will be delivered to the Underwriters at the time of original delivery, and the text of the opinion will be printed on the Series 1998 Bonds.

The proposed text of the legal opinion is set forth as Appendix D. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters incident to the issuance of the Series 1998 Bonds will be passed upon for the County by Michael S. Mullin, Esquire, County Attorney.

ENFORCEABILITY OF REMEDIES

The remedies available to the registered owners of the Series 1998 Bonds upon a default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 1998 Bonds (including Bond Counsel's opinion) will be qualified as to the enforceability of the remedies provided in the various legal instruments by limitations imposed by the exercise of judicial discretion in accordance with principles of equity, and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

ADVISORS AND CONSULTANTS

The County has retained certain advisors and consultants in connection with the issuance of the Series 1998 Bonds. These advisors and consultants are compensated from a portion of the proceeds of the Series 1998 Bonds, identified as "Issuance Costs" under the heading "SOURCES AND USES OF FUNDS"

herein; and their compensation is, in some instances, contingent upon the issuance of the Series 1998 Bonds and the receipt of the proceeds thereof.

Financial Advisor. The County has retained William R. Hough & Co. Jacksonville, Florida, as financial advisor (the "Financial Advisor") in connection with the preparation of the County's plan of financing and with respect to the authorization and issuance of the Series 1998 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

Bond Counsel. Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida, represents the County as Bond Counsel with respect to the issuance of the Series 1998 Bonds. As Bond Counsel, Nabors, Giblin & Nickerson, P.A. is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

Disclosure Counsel. Squire, Sanders & Dempsey L.L.P., Jacksonville, Florida, represents the County as Disclosure Counsel with respect to the issuance of the Series 1998 Bonds. As Disclosure Counsel, Squire, Sanders & Dempsey L.L.P. is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

RATINGS

Moody's Investors Service ("Moody's") will assign a rating of "Aaa" to the Series 1998 Bonds, with the understanding that, upon delivery of the Series 1998 Bonds, the municipal bond insurance policy will be issued by _____. The Series 1998 Bonds have been assigned a rating of "___" by Moody's without regard to the municipal bond insurance policy. Such rating reflects only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, 99 Church Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgement of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 1998 Bonds.

The above described ratings of _____ insured issues are not recommendations to buy, sell or hold the Series 1998 Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Series 1998 Bonds.

UNDERWRITING

The Underwriters as shown on the cover page hereof has agreed, to purchase the Series 1998 Bonds from the County, at a price of \$_____ (\$_____, ____ par amount, less original issue discount of \$_____ and Underwriters' discount of \$_____.), plus accrued interest from their date, for the purpose

of resale. The Underwriters have furnished the information in this Official Statement pertaining to the public offering price of the Series 1998 Bonds. The public offering price of the Series 1998 Bonds may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering price to certain dealers. None of the Series 1998 Bonds will be delivered by the County to the Underwriters unless all of the Series 1998 Bonds are so delivered.

CONTINUING DISCLOSURE

The County has agreed and undertaken for the benefit of the holders of the Series 1998 Bonds in order to assist the Underwriters in complying with the continuing disclosure requirements of S.E.C. Rule 15c2-12 (the "Rule"), to provide certain financial information and operating data relating to the County and the Series 1998 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such undertaking shall only apply so long as the Series 1998 Bonds remain outstanding under the Resolution. The Annual Report and audited financial statements will be filed annually by the County pursuant to the undertaking with each Nationally Recognized Municipal Securities Information Repository ("NRMSIRs"), as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the County with the Municipal Securities Rulemaking Board or the NRMSIRs and with the SID. The specific nature of the information contained in the Annual Report and the notices of material events are described in the Resolution – Appendix C hereto.

MISCELLANEOUS

The references, excerpts and summaries of all documents, resolutions and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to Series 1998 Bonds, the security for and the repayment of Series 1998 Bonds and the rights and obligations of the holders thereof.

The execution and delivery of this Official Statement has been duly authorized by the County.

NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County
Commissioners

By: _____
Clerk of the Circuit Court in and for
Nassau County, Florida, ex-officio
Clerk of the Board of County
Commissioners

By: _____
County Coordinator

EXHIBIT C

FORM OF LETTER AGREEMENT

August 18, 1998

State Board of Administration
Tallahassee, Florida

Division of Bond Finance
Tallahassee, Florida

Re: State of Florida Full Faith and Credit Nassau County Road Bonds, dated May 1, 1974

Ladies and Gentlemen:

Nassau County, Florida (the "County") has on this date prepaid in full the outstanding principal amount of the above-referenced bond (the "Bonds") and all amounts necessary to pay interest on the Bonds to their redemption on September 25, 1998.

1. In connection with such prepayment, the State Board of Administration of Florida (the "SBA") is holding the following amounts:

(i) \$_____ for the payment of principal of and redemption premium on the outstanding Bonds and interest on the outstanding Bonds through the optional redemption date scheduled therefor, September 25, 1998.

(ii) \$_____ for the payment of the costs associated with the redemption of the Bonds.

2. The amounts held pursuant to clause (i) of paragraph (1) above shall be invested by the SBA in accordance with the provisions of Resolution No. _____ of the Governing Board of the Division of Bond Finance of the State of Florida, authorizing the issuance of the Bonds; provided, that the amounts so invested shall be available for transfer to State Street Bank and Trust Company, N.A., as Paying Agent for the Bonds, on September 25, 1998.

3. All investment earnings on amounts invested in accordance with paragraph 2 above shall be applied by the SBA on September 25, 1998 (i) first, to cover any additional costs incurred with respect to the redemption of the Bonds and (ii) thereafter, the balance paid to the County and

deposited into the Debt Service Fund established pursuant to Resolution No.____ of the County, adopted July 27, 1998, for payment of debt service due on the County's Gas Tax Revenue Bonds, Series 1998.

4. The SBA will take all necessary action to call the Bonds for redemption on September 25, 1998.

5. By execution of this letter, based upon the opinion of Bond Counsel rendered on even date herewith and on the statements of the SBA, the Division of Bond Finance hereby acknowledges the defeasance of the Bonds by the County and the payment in full of obligations owed with respect to the Bonds.

Very truly yours,

NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

By: _____
Executive Director

DIVISION OF BOND FINANCE

By: _____

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Certificate") is executed and delivered by Nassau County, Florida (the "Issuer") in connection with the issuance of its \$_____ Gas Tax Revenue Bonds, Series 1998 (the "1998 Bonds"). The 1998 Bonds are being issued pursuant to the Issuer's Resolution No. _____ adopted on July 27, 1998, as supplemented (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the 1998 Bondholders and in order to assist the original underwriters of the 1998 Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

SECTION 2. PROVISION OF ANNUAL INFORMATION. Except as otherwise provided herein, the Issuer shall provide to all of the nationally recognized municipal securities information repositories described in Section 4 hereof (the "NRMSIRs"), and to any state information depository that is established within the State of Florida (the "SID"), on or before April 30 of each year, commencing April 30, 1999, the information set forth below in this Section 2. Notwithstanding the immediately preceding sentence, to the extent any such information does not become available to the Issuer before April 30 of any year, the Issuer shall provide such information when it becomes available, but no later than one year following the end of the Issuer's Fiscal Year.

(A) the Issuer's Comprehensive Annual Financial Report for the immediately preceding Fiscal Year (the "CAFR"), which shall include the audited financial statements of the Issuer for the immediately preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; provided, however, if the audited financial statements of the Issuer are not completed prior to April 30 of any year, the Issuer shall provide unaudited financial statements on such date and shall provide the audited financial statements as soon as practicable following their completion; and

(B) to the extent not set forth in the CAFR, additional financial information and operating data of the type included with respect to the Issuer in the final official statement prepared in connection with the sale and issuance of the 1998 Bonds (as amended, the "Official Statement"), as set forth below:

1. Updates of information set forth in the Official Statement relating to:
 - (a) Constitutional Gas Tax Collections Allocated for use in Nassau County;

(b) County Gas Tax Collections allocated for use in Nassau County; and

(c) Ninth Cent Gas Tax Distribution to Nassau County.

2. Description of any indebtedness payable in whole or in part from the Pledged Funds (as defined in the Official Statement).

For purposes of this Disclosure Certificate, "Fiscal Year" means the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

SECTION 3. REPORTING SIGNIFICANT EVENTS. The Issuer shall provide to the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB") and to the SID, on a timely basis, notice of any of the following events, if such event is material with respect to the 1998 Bonds or the Issuer's ability to satisfy its payment obligations with respect to the 1998 Bonds:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (C) Unscheduled draws on the debt service reserve fund reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the 1998 Bonds;
- (G) Modifications to rights of 1998 Bondholders;
- (H) Calls on the 1998 Bonds;
- (I) Defeasance of the 1998 Bonds;
- (J) Release, substitution, or sale of property securing repayment of the 1998 Bonds;
- (K) Rating changes; and

(L) Notice of any failure on the part of the Issuer or any other Obligated Person (as defined herein) to meet the requirements of Section 2 hereof.

The Issuer may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 3, if, in the judgment of the Issuer, such other events are material with respect to the 1998 Bonds, but the Issuer does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

Whenever the Issuer obtains knowledge of the occurrence of a significant event described in this Section 3, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities law to holders of 1998 Bonds, provided, that any event under clauses (D), (E), (F), (K) or (L) above will always be deemed to be material.

SECTION 4. NRMSIRs. The NRMSIRs to which the Issuer shall provide the information described in Sections 2 and 3 above, to the extent required, shall be the following organizations, their successors and assigns:

- (A) Bloomberg Municipal Repositories
P.O. Box 840
Princeton, New Jersey 08542-0840
Phone: 609/279-3200
Fax: 609/279-5962
Email: munis@bloomberg.com
- (B) Thomson NRMSIR
Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, New York 10014
Phone: 212/807-5001
800/689-8466
Fax: 212/989-2078
Email: Disclosure@muller.com
- (C) Kenny Information Systems, Inc.
65 Broadway, 16th Floor
New York, New York 10006
Attn: Kenny Repository Service
Phone: 212/770-4595
Fax: 212/797-7994

(D) DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: 201/346-0701
Fax: 201/947-0107
Email: NRMSIR@dpcdata.com

(E) Any NRMSIRs that are established subsequently and approved by the SEC.

(F) A list of the names and addresses of all designated NRMSIRs as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document number 0206.

SECTION 5. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Resolution to the contrary, failure of the Issuer to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution. To the extent permitted by law, the sole and exclusive remedy of any 1998 Bondholder for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "1998 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 1998 Bonds (including persons holding 1998 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any 1998 Bond for federal income tax purposes.

SECTION 6. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the Issuer or related public entities, which have been submitted to each of the NRMSIRs and the SID, if any, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each document incorporated by reference.

SECTION 7. DISSEMINATION AGENTS. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

SECTION 8. TERMINATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the 1998 Bonds, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 9. AMENDMENTS. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision may be waived, if such amendment or waiver is supported by an opinion of counsel that is nationally recognized in the area of federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in its annual information described in Section 2 hereof or notice of occurrence of a significant event described in Section 3 hereof, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 11. OBLIGATED PERSONS. If any person, other than the Issuer, becomes an Obligated Person (as defined in the Rule) relating to the 1998 Bonds, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Dated: August __, 1998

NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County
Commissioners

EXHIBIT E

INSURANCE AGREEMENT

FINANCIAL GUARANTY AGREEMENT

FINANCIAL GUARANTY AGREEMENT made as of June 2, 1998, by and between City of Miami Springs, Florida (the "Issuer") and MBIA Insurance Corporation (the "Insurer"), organized under the laws of the state of New York.

WITNESSETH:

WHEREAS, the Issuer has or will issue the Obligations; and

WHEREAS, pursuant to the terms of the Document the Issuer agrees to make certain payments on the Obligations; and

WHEREAS, the Insurer will issue its Surety Bond, substantially in the form set forth in Annex A to this Agreement, guaranteeing certain payments by the Issuer subject to the terms and limitations of the Surety Bond; and

WHEREAS, to induce the Insurer to issue the Surety Bond, the Issuer has agreed to pay the premium for the Surety Bond and to reimburse the Insurer for all payments made by the Insurer under the Surety Bond, all as more fully set forth in this Agreement; and

WHEREAS, the Issuer understands that the Insurer expressly requires the delivery of this Agreement as part of the consideration for the execution by the Insurer of the Surety Bond; and

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained and of the execution of the Surety Bond, the Issuer and the Insurer agree as follows:

ARTICLE I DEFINITIONS; SURETY BOND

Section 1.01. Definitions. The terms which are capitalized herein shall have the meanings specified in Annex B hereto.

Section 1.02. Surety Bond.

(a) The Insurer will issue the Surety Bond in accordance with and subject to the terms and conditions of the Commitment.

(b) The maximum liability of the Insurer under the Surety Bond and the coverage and term thereof shall be subject to and limited by the terms and conditions of the Surety Bond.

Section 1.03. Premium. In consideration of the Insurer agreeing to issue the Surety Bond hereunder, the Issuer hereby agrees to pay or cause to be paid the Premium set forth in Annex B hereto. The Premium on the Surety Bond is not refundable for any reason.

Section 1.04. Certain Other Expenses. The Issuer will pay all reasonable fees and disbursements of the Insurer's special counsel related to any modification of this Agreement or the Surety Bond.

ARTICLE II REIMBURSEMENT AND INDEMNIFICATION OBLIGATIONS OF ISSUER AND SECURITY THEREFOR

Section 2.01. Reimbursement for Payments Under the Surety Bond and Expenses; Indemnification.

(a) The Issuer will reimburse the Insurer, within the Reimbursement Period, without demand or notice by the Insurer to the Issuer or any other person, to the extent of each Surety Bond Payment with interest on each Surety Bond Payment from and including the date made to the date of the reimbursement at the lesser of the Reimbursement Rate or the maximum rate of interest permitted by then applicable law.

(b) The Issuer also agrees to reimburse the Insurer immediately and unconditionally upon demand, to the extent permitted by state law, for all reasonable expenses incurred by the Insurer in connection with the Surety Bond and the enforcement by the Insurer of the Issuer's obligations under this Agreement, the Document, and any other document executed in connection with the issuance of the Obligations, together with interest on all such expenses from and including the date incurred to the date of payment at the rate set forth in subsection (a) of this Section 2.01.

(c) The Issuer agrees to indemnify the Insurer, to the extent permitted by state law, against any and all liability, claims, loss, costs, damages, fees of attorneys and other expenses which the Insurer may sustain or incur by reason of or in consequence of (i) the failure of the Issuer to perform or comply with the covenants or conditions of this Agreement or (ii) reliance by the Insurer upon representations made by the Issuer or (iii) a default by the Issuer under the terms of the Document or any other documents executed in connection with the issuance of the Obligations.

(d) The Issuer agrees that all amounts owing to the Insurer pursuant to Section 1.03 hereof and this Section 2.01 must be paid in full prior to any optional redemption or refunding of the Obligations.

(e) All payments made to the Insurer under this Agreement shall be paid in lawful currency of the United States in immediately available funds at the Insurer's office at 113 King Street, Armonk, New York 10504, Attention: Accounting and Insured Portfolio Management Departments, or at such other place as shall be designated by the Insurer.

Section 2.02. Allocation of Payments. The Insurer and the Issuer hereby agree that each payment received by the Insurer from or on behalf of the Issuer as a reimbursement to the Insurer as required by Section 2.01 hereof shall be applied by the Insurer first, toward payment of any unpaid premium; second, toward repayment of the aggregate Surety Bond Payments made by the Insurer and not yet repaid, payment of which will reinstate all or a portion of the Surety Bond Coverage to the extent of such repayment (but not to exceed the Surety Bond Limit); and third, upon full reinstatement of the Surety Bond Coverage to the Surety Bond Limit, toward other amounts, including, without limitation, any interest payable with respect to any Surety Bond Payments then due to the Insurer.

Section 2.03. Security for Payments; Instruments of Further Assurance. To the extent, but only to the extent, that the Document, or any related indenture, trust agreement, ordinance, resolution, mortgage, security agreement or similar instrument, if any, pledges to the Owners or any trustee therefor, or grants a security interest or lien in or on any collateral, property, revenue or other payments ("Collateral and Revenues") in order to secure the Obligations or provide a source of payment for the Obligations, the Issuer hereby grants to the Insurer a security interest in or lien on, as the case may be, and pledges to the Insurer all such Collateral and Revenues as security for payment of all amounts due hereunder and under the Document or any other document executed in connection with the issuance of the Obligations, which security interest, lien and/or pledge created or granted under this Section 2.03 shall be subordinate only to the interests of the Owners and any trustee therefor in such Collateral and Revenues, except as otherwise provided. The Issuer agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all financing statements, if applicable, and all other further instruments as may be required by law or as shall reasonably be requested by the Insurer for the perfection of the security interest, if any, granted under this Section 2.03 and for the preservation and protection of all rights of the Insurer under this Section 2.03.

Section 2.04. Unconditional Obligation. The obligations hereunder are absolute and unconditional and will be paid or performed strictly in accordance with this Agreement, subject to the limitations of the Document, irrespective of:

(a) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Obligations, the Document or any other document executed in connection with the issuance of the Obligations; or

(b) any exchange, release or nonperfection of any security interest in property securing the Obligations or this Agreement or any obligations hereunder; or

(c) any circumstances that might otherwise constitute a defense available to, or discharge of, the Issuer with respect to the Obligations, the Document or any other document executed in connection with the issuance of the Obligations; or

(d) whether or not such obligations are contingent or matured, disputed or undisputed, liquidated or unliquidated.

Section 2.05. Insurer's Rights. The Issuer shall repay the Insurer to the extent of payments made and expenses incurred by the Insurer in connection with the Obligations and this Agreement. The obligation of the Issuer to repay such amounts shall be subordinate only to the rights of the Owners to receive regularly scheduled principal and interest on the Obligations.

Section 2.06. On-Going Information Obligations of Issuer.

(a) Quarterly Reports. The Issuer will provide to the Insurer within 45 days of the close of each quarter interim financial statements covering all fund balances under the Document, a statement of operations (income statement), balance sheet and changes in fund balances. These statements need not be audited by an independent certified public accountant, but if any audited statements are produced, they must be provided to the Insurer;

(b) Annual Reports. The Issuer will provide to the Insurer annual financial statements audited by an independent certified public accountant within 90 days of the end of each fiscal year;

(c) Access to Facilities, Books and Records. The Issuer will grant the Insurer reasonable access to the project financed by the Obligations and will make available to the Insurer, at reasonable times and upon reasonable notice all books and records relative to the project financed by the Obligations; and

(d) Compliance Certificate. On an annual basis the Issuer will provide to the Insurer a certificate confirming compliance with all covenants and obligations hereunder and under the Revenue Agreement, the Document or any other document executed in connection with the issuance of the Obligations.

ARTICLE III AMENDMENTS TO DOCUMENT

So long as this Agreement is in effect, the Issuer agrees that it will not agree to amend the Document or any other document executed in connection with the issuance of the Obligations, without the prior written consent of the Insurer.

ARTICLE IV EVENTS OF DEFAULT; REMEDIES

Section 4.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) The Issuer shall fail to pay to the Insurer when due any amount payable under Sections 1.03; or

(b) The Issuer shall fail to pay to the Insurer any amount payable under Sections 1.04 and 2.01 hereof and such failure shall have continued for a period in excess of the Reimbursement Period; or

(c) Any material representation or warranty made by the Issuer under the Document or hereunder or any statement in the application for the Surety Bond or any report, certificate, financial statement, document or other instrument provided in connection with the Commitment, the Surety Bond, the Obligations, or herewith shall have been materially false at the time when made; or

(d) Except as otherwise provided in this Section 4.01, the Issuer shall fail to perform any of its other obligations under the Document, or any other document executed in connection with the issuance of the Obligations, or hereunder, provided that such failure continues for more than 30 days after receipt by the Issuer of written notice of such failure to perform; or

(e) The Issuer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing; or

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Issuer, or of a substantial part of its property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Issuer or for a substantial part of its property; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days.

Section 4.02. Remedies. If an Event of Default shall occur and be continuing, then the Insurer may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under this Agreement or to enforce performance of any obligation of the Issuer to the Insurer under the Document or any related instrument, and any obligation, agreement or covenant of the Issuer under this Agreement; provided, however, that the Insurer may not take any action to direct or require acceleration or other early redemption of the Obligations or adversely affect the rights of the Owners. In addition, if an Event of Default shall occur due to the failure to pay to the Insurer the amounts due under Section 1.03 hereof, the Insurer shall have the right to cancel the Surety Bond in accordance with its terms. All rights and remedies of the Insurer under this Section 4.02 are cumulative and the exercise of any one remedy does not preclude the exercise of one or more of the other available remedies.

ARTICLE V SETTLEMENT

The Insurer shall have the exclusive right to decide and determine whether any claim, liability, suit or judgment made or brought against the Insurer, the Issuer or any other party on the Surety Bond shall or shall not be paid, compromised, resisted, defended, tried or appealed, and the Insurer's decision thereon, if made in good faith, shall be final and binding upon the Insurer, the Issuer and any other party on the Surety Bond. An itemized statement of payments made by the Insurer, certified by an officer of the Insurer, or the voucher or vouchers for such payments, shall be prima facie evidence of the liability of the Issuer, and if the Issuer fails to immediately reimburse the Insurer upon the receipt of such statement of payments, interest shall be computed on such amount from the date of any payment made by the Insurer at the rate set forth in subsection (a) of Section 2.01 hereof.

ARTICLE VI MISCELLANEOUS

Section 6.01. Interest Computations. All computations of interest due hereunder shall be made on the basis of the actual number of days elapsed over a year of 360 days.

Section 6.02. Exercise of Rights. No failure or delay on the part of the Insurer to exercise any right, power or privilege under this Agreement and no course of dealing between the Insurer and the Issuer or any other party shall operate as a waiver of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Insurer would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

Section 6.03. Amendment and Waiver. Any provision of this Agreement may be amended, waived, supplemented, discharged or terminated only with the prior written consent of the Issuer and the Insurer. The Issuer hereby agrees that upon the written request of the Paying Agent, the Insurer may make or consent to issue any substitute for the Surety Bond to cure any ambiguity or formal defect or omission in the Surety Bond which does not materially change the terms of the Surety Bond nor adversely affect the rights of the Owners, and this Agreement shall apply to such substituted surety bond. The Insurer agrees to deliver to the Issuer and to the company or companies, if any, rating the Obligations, a copy of such substituted surety bond.

Section 6.04. Successors and Assigns; Descriptive Headings.

(a) This Agreement shall bind, and the benefits thereof shall inure to, the Issuer and the Insurer and their respective successors and assigns; provided, that the Issuer may not transfer or assign any or all of its rights and obligations hereunder without the prior written consent of the Insurer.

(b) The descriptive headings of the various provisions of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6.05. Other Sureties. If the Insurer shall procure any other surety to reinsure the Surety Bond, this Agreement shall inure to the benefit of such other surety, its successors and assigns, so as to give to it a direct right of action against the Issuer to enforce this Agreement, and "the Insurer," wherever used herein, shall be deemed to include such reinsuring surety, as its respective interests may appear.

Section 6.06. Signature on Bond. The Issuer's liability shall not be affected by its failure to sign the Surety Bond nor by any claim that other indemnity or security was to have been obtained nor by the release of any indemnity, nor the return or exchange of any collateral that may have been obtained.

Section 6.07. Waiver. The Issuer waives any defense that this Agreement was executed subsequent to the date of the Surety Bond, admitting and covenanting that such Surety Bond was executed pursuant to the Issuer's request and in reliance on the Issuer's promise to execute this Agreement.

Section 6.08. Notices, Requests, Demands. Except as otherwise expressly provided herein, all written notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when actually received, or in the case of telex or telecopier notice sent over a telex or a telecopier machine owned or operated by a party hereto, when sent, addressed as specified below or at such other address as any of the parties may hereafter specify in writing to the others:

If to the Issuer:

City of Miami Springs, Florida
201 Westward Drive
Miami Springs, Florida 33166
Attention: Finance Director

If to the Paying Agent:

The Chase Manhattan Bank
450 West 33rd Street, 15th Floor
New York, New York 10001-2697
Attention: Corporate Trust Officer

If to the Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504
Attention: Insured Portfolio Management Group

Section 6.09. Survival of Representations and Warranties. All representations, warranties and obligations contained herein shall survive the execution and delivery of this Agreement and the Surety Bond.

Section 6.10. Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State.

Section 6.11. Counterparts. This Agreement may be executed in any number of copies and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument. Complete counterparts of this Agreement shall be lodged with the Issuer and the Insurer.

Section 6.12. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.13. Survival of Obligations. Notwithstanding anything to the contrary contained in this Agreement, the obligation of the Issuer to pay all amounts due hereunder and the rights of the Insurer to pursue all remedies shall survive the expiration, termination or substitution of the Surety Bond and this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.


City of Miami Springs, Florida

By: 
Title: Mayor

MBIA Insurance Corporation


President

Attest:


Assistant Secretary