

RESOLUTION NO. 00 - 125

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AMENDING AND SUPPLEMENTING RESOLUTION 88-28 OF THE COUNTY, AS AMENDED AND SUPPLEMENTED; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$6,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF OPTIONAL GAS TAX REVENUE BONDS, SERIES 2000, IN ORDER TO PROVIDE FOR FUNDING FOR THE CONSTRUCTION OF CERTAIN TRANSPORTATION CAPITAL IMPROVEMENTS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; 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 DEBT SERVICE RESERVE FUND POLICY AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE; AND PROVIDING AN EFFECTIVE DATE.

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

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

(A) On January 12, 1988, the Board of County Commissioners of Nassau County, Florida (the "Issuer") duly adopted Resolution No. 88-28. Resolution 88-28 has been amended and supplemented by Resolution No. 89-32, adopted on May 20, 1989, supplemented by Resolution No. 89-31, adopted on May 20, 1989, and amended and supplemented by Resolution No. 92-132, adopted on September 14, 1992. Resolution 88-28, as amended and supplemented prior to the date hereof, is referred to herein as the "Original Resolution."

(B) The Original Resolution authorized, among other things, the issuance of \$9,985,000 Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), of which \$6,460,000 remains outstanding.

(C) The Original Resolution, as amended and supplemented hereby, is referred to herein as the "Bond Resolution."

(D) The Original Resolution provides for the issuance of Additional Bonds upon meeting the requirements set forth in the Original Resolution.

(E) The Issuer deems it to be in the best interests of its citizens and taxpayers to issue its Optional Gas Tax Revenue Bonds, Series 2000 (the "Series 2000 Bonds") for the purpose of funding certain transportation-related capital improvements (the "2000 Project," as more fully defined herein).

(F) Except as expressly amended hereby, the covenants, pledges and conditions in the Original Resolution shall be applicable to the Series 2000 Bonds herein authorized to the same extent as the Series 1992 Bonds, and said Series 2000 Bonds shall constitute "Bonds" within the meaning of the Original Resolution.

(G) The principal of and interest on the Series 2000 Bonds and all required sinking fund, reserve and other payments shall be limited obligations of the Issuer, payable solely from the Pledged Funds, as provided in the Bond Resolution. The Series 2000 Bonds shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, 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 Issuer shall be obligated (1) to exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of the Series 2000 Bonds, the interest thereon, or other costs incidental thereto or (2) to pay the same from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Bond Resolution.

(H) Due to the present volatility of the market for tax-exempt obligations such as the Series 2000 Bonds, it is in the best interest of the Issuer to sell the Series 2000 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2000 Bonds. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2000 Bonds. A copy of the letter of the Underwriters for said Series 2000 Bonds containing the aforementioned information is a condition precedent to the execution and delivery by the Issuer of the Purchase Contract referred to below.

(I) SunTrust Equitable Securities Corporation, on behalf of itself and A.G. Edwards & Sons, Inc. (collectively, the "Underwriters") expects to offer to purchase the entire aggregate principal amount of the Series 2000 Bonds from the Issuer and submit a Purchase Contract substantially 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 7 hereof, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that the terms expressed in the Purchase Contract be accepted by the Issuer.

(J) The Original Resolution establishes a Reserve Account as security for the Bonds, and requires that an amount equal to the Maximum Annual Debt Service Requirement be on deposit therein. The Original Resolution provides that, in lieu of the required deposits into the Reserve Account, the Issuer may cause to be deposited therein a reserve account insurance policy or reserve account letter of credit.

SECTION 2. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to Section 5.06 of Resolution 88-28, the provisions

of the Act (as defined in the Bond Resolution) and other applicable provisions of law. When used in this Supplemental Resolution, the terms defined in the Bond Resolution shall have the meanings therein stated, except as set forth below.

SECTION 3. DEFINITIONS. The following terms shall have the meanings as set forth below. To the extent such definitions conflict with definitions set forth in the Original Resolution, the Original Resolution shall be deemed amended hereby.

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

(1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; senior debt obligations rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Rating Group of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; senior debt obligations rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Group of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; Resolution Funding Corporation securities.

(3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A2/A" or better by Moody's Investors Service and "A2/A" or better by Standard & Poor's Ratings Group;

(4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1+" or better by Standard & Poor's Rating Group;

(5) Federal funds, U.S. dollar denominated deposits or bankers acceptances (in each case having maturities of not more than 360 days) of any domestic commercial bank, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's Investors Service and a "Short-Term CD" rating of "A-1 or A-1+" or better by Standard & Poor's Ratings Group. (Ratings on holding companies are not considered as a rating on the bank).

(6) investments in money-market funds rated "AAAm" or "AAAm-G" or better by Standard & Poor's Rating Group;

(7) the Local Government Surplus Funds Trust Fund as described in Section 218.405, Florida Statutes.

The value of the above investments shall be determined as follows:

"Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) For securities:

(1) the closing bid price quoted by Interactive Data Systems, Inc.; or

(2) a valuation performed by a nationally recognized and accepted pricing service acceptable to each Insurer whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by Moody's Investors Service and Standard & Poor's Rating Group and must be market maker in the securities being valued.

(b) As to certificates of deposit and banker's acceptances, the face amount thereof, plus accrued interest; and

(c) As to any investment not specified above: the value thereof established by prior agreement between the Issuer and each Insurer.

"Insurer" shall mean, with respect to the Series 2000 Bonds, Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company, or any successor thereto. With respect to any other series of Bonds, "Insurer" shall mean such person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on municipal securities.

"Municipal Bond Insurance Policy" shall mean, with respect to the Series 2000 Bonds, the municipal bond insurance policy issued by Ambac Assurance Corporation insuring the payment when due of the principal of and interest on the Series 2000 Bonds as provided therein.

"2000 Project" shall mean the acquisition and construction by the Issuer of certain road and bridge improvements as shall be approved by the Board of County Commissioners of the Issuer, which shall constitute a portion of the "Project," as defined in the Original Resolution.

SECTION 4. PAYMENT PURSUANT TO SERIES 2000 BOND INSURANCE POLICY.

As long as the Municipal Bond Insurance Policy with respect to the Series 2000 Bonds shall be in full force and effect, the Issuer and the Paying Agent with respect to the Series 2000 Bonds agree to comply with the following provisions:

(A) At least one (1) day prior to all interest payment dates with respect to the Series 2000 Bonds the Paying Agent will determine whether there will be sufficient funds in the funds and accounts established under the Bond Resolution to pay the principal of or interest on the Series 2000 Bonds on such interest payment date. If the Paying Agent determines that there will be insufficient funds in such funds or accounts, the Paying Agent shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the Series 2000 Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified the Insurer at least one (1) day prior to an interest payment date, the Insurer will make payments of principal or interest due on the Series 2000 Bonds on or before the first (1st) day next following the date on which the Insurer shall have received notice of nonpayment from the Paying Agent.

(B) The Paying Agent shall, after giving notice to the Insurer as provided in (A) above, make available to the Insurer and, at the Insurer's direction, to the United States Trust Company of New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Registrar, and all records relating to the funds and accounts maintained under the Bond Resolution.

(C) The Paying Agent shall provide the Insurer and the Insurance Trustee with a list of registered owners of Series 2000 Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2000 Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Series 2000 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2000 Bonds entitled to receive full or partial principal payments from the Insurer.

(D) The Paying Agent shall, at the time it provides notice to the Insurer pursuant to (A) above, notify registered owners of Series 2000 Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Paying Agent, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Bonds for payment thereon first to the Paying Agent, who shall note on such Bonds the portion of the principal paid by the Paying Agent, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(E) In the event that the Paying Agent has notice that any payment of principal or of interest on a Series 2000 Bond which has become due for payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time the Insurer is notified pursuant to (A) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner shall be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to the Insurer its

records evidencing the payments of principal of and interest on the Series 2000 Bonds which have been made by the Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(F) In addition to those rights granted the Insurer under the Bond Resolution, the Insurer shall, to the extent it makes payment of principal of or interest on Series 2000 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent, upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the Series 2000 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent, upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

SECTION 5. RIGHTS OF INSURERS. In addition to the other rights granted by the Bond Resolution, each Insurer shall have the following rights:

(A) Any provision of the Bond Resolution expressly recognizing or granting rights in or to any Insurer may not be amended in any manner which affects the rights of such Insurer hereunder without the prior written consent of each such Insurer.

(B) Unless otherwise provided in this Section, each Insurer's consent shall be required in addition to Bondholder consent, when required, for the following purposes: (i) execution and delivery of any supplemental resolution, (ii) removal of the Paying Agent and selection and appointment of any successor paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

(C) Any reorganization or liquidation plan with respect to the Issuer must be acceptable to each Insurer. In the event of any reorganization or liquidation, each Insurer shall have the right to vote on behalf of all bondholders who hold Bonds insured by such Insurer absent a default by the Insurer under the applicable Municipal Bond Insurance Policy insuring such Bonds.

(D) Anything in the Bond Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined in the Bond Resolution, each Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Bonds insured by such Insurer including, without limitation: (i) the right to accelerate the principal of said Bonds as described in the Bond Resolution and (ii) the right to annul any declaration of acceleration, and each such Insurer shall also be entitled to approve all waivers of events of default.

(E) Upon the occurrence of an event of default, the principal of Bonds secured by the respective Insurers may, with the consent of such respective Insurers, be declared to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Bond Resolution or in the Bonds to the contrary notwithstanding.

(F) While the Municipal Bond Insurance Policy is in effect, the Issuer shall furnish to each Insurer (to the attention of the Surveillance Department, unless otherwise indicated):

(a) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer and a copy of any audit and annual report of the Issuer;

(b) such additional information it may reasonably request.

(c) a copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Bond Resolution relating to the security for the Bonds.

(G) To the extent that the Issuer has entered into a continuing disclosure agreement with respect to any Bonds, each Insurer shall be included as a party to be notified.

(H) The Issuer shall notify each Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.

(I) Notwithstanding any other provision of the Bond Resolution, the Issuer shall immediately notify each Insurer (to the attention of the General Counsel's office, unless otherwise indicated) if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder, or any payment default under any related security agreement.

(J) The Issuer will permit each Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer. The Issuer will permit each Insurer to have access to the projects financed with proceeds of the Bonds and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(K) Each Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from any Insurer shall be deemed a default under the Bond Resolution; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

(L) The Paying Agent may be removed at any time, at the request of the Insurer of the applicable Series of Bonds, for any breach of its obligations set forth in the Bond Resolution.

(M) Each Insurer shall receive prior written notice of any Paying Agent resignation.

(N) Any successor Paying Agent shall not be appointed unless the applicable Insurer approves such successor in writing.

(O) Notwithstanding any other provision of the Bond Resolution, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Resolution, the Issuer or Paying Agent shall consider the effect on the Bondholders as if there were no Municipal Bond Insurance Policy.

(P) Notwithstanding any other provision of the Bond Resolution, no removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to the applicable Insurer, shall be appointed.

(Q) To the extent that the Bond Resolution confers upon or gives or grants to any Insurer any right, remedy or claim under or by reason of the Bond Resolution, such Insurer is hereby explicitly recognized as being a third-party beneficiary under the Bond Resolution and may enforce any such right, remedy or claim conferred, given or granted under the Bond Resolution.

(R) Nothing in the Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, each Insurer, the Paying Agents and the registered owners of the Bonds, any right, remedy or claim under or by reason of the Bond Resolution or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in the Bond Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, each Insurer, the Paying Agents and the registered owners of the Bonds.

SECTION 6. DEFEASANCE. Only (A) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (B) hereof), (B) direct obligations (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and (C) senior debt obligations of other government agencies approved by Ambac Assurance Corporation may be used to effect defeasance of the Series 2000 Bonds pursuant to Section 6.06 of Resolution No. 88-28. Notwithstanding anything contained herein to the contrary, in the event that the principal and/or interest due on the Series 2000 Bonds shall be paid by the Insurer with respect thereto pursuant to the Municipal Bond Insurance Policy, the Series 2000 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance Corporation, and Ambac Assurance Corporation shall be subrogated to the rights of such registered owners.

SECTION 7. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2000 BONDS. The Issuer hereby determines to issue a Series of Bonds in an aggregate principal amount of not exceeding \$6,500,000, to be known as "Optional Gas Tax Revenue Bonds, Series 2000," for the principal purpose of funding the cost of the 2000 Project.

The Series 2000 Bonds shall be dated September 1, 2000; shall bear interest at the rates set forth in the Purchase Contract executed as authorized hereby; shall be issued as fully registered Bonds, numbered consecutively from one upward in order of maturity with the prefix "R"; and shall consist of such amounts of Serial Bonds and Term Bonds, maturing in such years and amounts and payable on such dates as set forth in said Purchase Contract; and shall contain such redemption provisions as set forth in said Purchase Contract. The Series 2000 Bonds shall be issued in denominations of \$5,000 and any integral multiple thereof.

The principal of, or redemption price, as applicable, or maturity amount, as applicable, of the Series 2000 Bonds, shall be payable at the corporate trust office of the Paying Agent for the Series 2000 Bonds appointed in Section 11 hereof, or its successor, upon presentation of the Series 2000 Bonds. Payment of interest on the Series 2000 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 2000 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 2000 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 8. APPLICATION OF SERIES 2000 BOND PROCEEDS. The proceeds derived from the sale of the Series 2000 Bonds, including accrued interest, shall, simultaneously with the delivery of the Series 2000 Bonds to the Underwriters thereof, be applied by the Issuer as follows:

(A) Accrued interest shall be deposited in the Sinking Fund and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2000 Bonds.

(B) A sufficient amount of Series 2000 Bond proceeds shall be deposited or, together with the amount currently on deposit in the Reserve Account, used to procure a letter of credit for deposit into the Reserve Account in an amount such that amounts on deposit in the Reserve Account shall equal the Maximum Annual Debt Service Requirement.

(C) To the extent not paid or reimbursed by the Underwriters of the Series 2000 Bonds, proceeds shall be used to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2000 Bonds, including, without limitation, the fees and expenses of engineers, accountants, attorneys and financial advisors, and the premium for any municipal bond insurance and debt service reserve fund insurance policies, to those persons who shall be entitled to receive the same.

(D) Any remaining Series 2000 Bond proceeds shall be deposited into the Road Improvement Construction Fund and used to pay the costs of the acquisition and construction of the 2000 Project.

SECTION 9. SALE OF THE SERIES 2000 BONDS. Upon delivery to the Chairman, the Clerk and the County Attorney of a Purchase Contract substantially in the form of Exhibit A attached hereto, evidencing:

- (A) Series 2000 Bonds in an aggregate principal amount not exceeding \$6,500,000;
- (B) A true interest cost with respect to the Series 2000 Bonds of not to exceed 6.25% per annum; and
- (C) An Underwriters' discount of not in excess of \$8 per \$1,000 of the principal amount of the Series 2000 Bonds;
- (D) A final maturity not to exceed March 1, 2025.

the Series 2000 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 2000 Bonds from the date of the Series 2000 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 10. OFFICIAL STATEMENT. The form, terms and provisions of the Official Statement, dated the date of execution of the Purchase Contract, in substantially the form of the Preliminary Official Statement attached hereto as Exhibit B, relating to the Series 2000 Bonds, be and the same hereby are approved with respect to the information therein contained. The Chairman and Clerk, 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 Issuer, 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 Preliminary Official Statement and said 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 2000 Bonds to the public. The Issuer hereby deems the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for permitted omissions as provided in said Rule. Execution by the Chairman of the Official Statement shall be deemed to be conclusive evidence of approval of any changes, amendments, modifications, omissions and additions.

SECTION 11. APPOINTMENT OF REGISTRAR AND PAYING AGENT. First Union National Bank, Jacksonville, Florida, is hereby designated Registrar and Paying Agent for the Series 2000 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 11.

SECTION 12. RESERVE ACCOUNT INSURANCE POLICY. The Original Resolution provides that, in lieu of the required deposits into the Reserve Account, the Issuer may cause to be deposited therein a reserve account insurance policy or reserve account letter of credit for the benefit of the Holders of the Bonds in an amount equal to the Reserve Account Requirement. The Issuer has determined that it is in its best interest to obtain a reserve account insurance policy consisting of a surety bond (the "2000 Surety Bond"), which, together with the amount of the separate surety bond currently on deposit in the Reserve Account, will equal the Maximum Annual Debt Service Requirement on Outstanding Bonds, which surety bond shall be issued pursuant to a Guaranty Agreement (the "Reserve Agreement") to be executed by and between the Issuer and Ambac Assurance Corporation, substantially in the form attached hereto as Exhibit C. The Chairman and Clerk are hereby authorized to execute and deliver the Reserve Agreement with such changes as may be approved by the Chairman and Clerk and to take such other action as may be necessary or convenient to obtaining the surety bond referenced in said Reserve Agreement.

As long as the 2000 Surety Bond shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the following provisions:

(A) In the event and to the extent that moneys on deposit in the Sinking Fund, plus all amounts on deposit in and credited to the Reserve Account in excess of the amount of the 2000 Surety Bond, are insufficient to pay the amount of principal and interest coming due, then upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac Assurance Corporation ("Ambac") of a demand for payment in the form attached to the 2000 Surety Bond as Attachment 1 (the "Demand for Payment") duly executed by the Paying Agent certifying that payment due under the Bond Resolution has not been made to the Paying Agent; or (ii) the payment date of the Series 2000 Bonds as specified in the Demand for Payment presented by the Paying Agent to the General

Counsel of Ambac, Ambac will make a deposit of funds in an account with the Paying Agent or its successor, in New York, New York, sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent under the Bond Resolution (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the 2000 Surety Bond; provided, however, that in the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the 2000 Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the 2000 Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency.

(B) The Paying Agent shall, after submitting to Ambac the Demand for Payment as provided in (A) above, make available to Ambac all records relating to the funds and accounts maintained under the Bond Resolution.

(C) The Paying Agent shall, upon receipt of moneys received from the draw on the 2000 Surety Bond, as specified in the Demand for Payment, credit the Reserve Account to the extent of moneys received pursuant to such Demand.

(D) The Reserve Account shall be replenished in the following priority: (i) principal and interest on the 2000 Surety Bond and on the Additional Funding Instrument shall be paid from first available Gas Tax Revenues on a pro rata basis, (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Account to the required level, after taking into account the amounts available under the 2000 Surety Bond and the Additional Funding Instrument shall be deposited from next available Gas Tax Revenues.

SECTION 13. CONTINUING DISCLOSURE CERTIFICATE. The Chairman and Clerk are hereby authorized to execute the Continuing Disclosure Certificate, in substantially the form set forth in Exhibit D attached hereto, with such changes, modifications and revisions as approved by the Chairman and Clerk, their approval to be presumed by their execution thereof.

SECTION 14. GENERAL AUTHORITY. The members of the Board of County Commissioners, the Clerk of the Issuer and the officers, attorneys and other agents or employees of the Issuer 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 Issuer or the Board of County Commissioners and the Clerk 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. The Chairman and/or the Clerk are hereby authorized to execute such security purchase forms or agreements as shall be necessary to effect the transactions contemplated hereby.

SECTION 15. 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 16. 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 17. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

DULY ADOPTED, this 14th day of August, 2000.


NASSAU COUNTY, FLORIDA

(SEAL)

By: 

Chairman, Board of County
Commissioners

ATTEST:


Clerk, Board of County Commissioners

Approved as to Form by the
Nassau County Attorney


Michael S. Mullin

EXHIBIT A

FORM OF BOND PURCHASE CONTRACT

\$ _____
NASSAU COUNTY, FLORIDA
OPTIONAL GAS TAX REVENUE BONDS,
SERIES 2000

BOND PURCHASE AGREEMENT

_____, 2000

Honorable Chairman and
Members of the Board
of County Commissioners
Nassau County, Florida

Ladies and Gentlemen:

SunTrust Equitable Securities Corporation (the "Representative") acting on behalf of itself and A.G. Edwards & Sons, Inc. (the "Underwriters") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with Nassau County, Florida (the "County"), which, upon the County's acceptance of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to acceptance by the County of this Purchase Agreement no later than 10:00 P.M., New York time on the date hereof. The financial disclosure letter required to be provided to the County pursuant to Section 218.385, Florida Statutes, is annexed hereto as Exhibit A.

The terms "Closing" or "Date of Closing" refer to that date, further described in Paragraph 7 herein, upon which the County will deliver, or cause to be delivered, all, but not less than all, of the County's \$ _____ Optional Gas Tax Revenue Bonds, Series 2000 (the "2000 Bonds") to the Underwriters along with the other documents herein mentioned. The Preliminary Official Statement relating to the 2000 Bonds, dated _____, 2000 including the cover page, appendices and any amendments or supplements thereto (the "Preliminary Official Statement") as amended to delete preliminary language and reflect the final terms of the 2000 Bonds, with such additional changes and amendments as shall be approved by the Representative and the County, is hereinafter referred to as the "Official Statement." All capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in the Official Statement and the appendices thereto.

1. Upon the terms and conditions and in reliance upon the representations, covenants and warranties 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 2000 Bonds. The 2000 Bonds shall be dated September 1, 2000, and shall have the

maturities and bear interest at the rates, and be sold to the public at the prices, all as set forth on Exhibit B attached hereto. The 2000 Bonds shall not be subject to redemption prior to maturity. The aggregate purchase price to be paid by the Underwriters for the 2000 Bonds is hereby agreed to be \$_____ (consisting of \$_____ principal amount of 2000 Bonds, less \$_____ original issue discount, plus \$_____ premium, less \$_____ underwriters discount, plus \$_____ accrued interest from September 1, 2000, to the Date of Closing).

2. The 2000 Bonds shall be substantially in the form described in, and shall be issued and secured under Ordinance No. 86-8, enacted by the County on February 14, 1986, as amended and supplemented, Ordinance No. 87-29, enacted on March 17, 1987, as amended, and Supplemental Resolution No. 88-28, adopted on January 12, 1988, as amended and supplemented, Ordinance Nos. ____ and ____, both enacted on August 14, 2000, and Resolution No. ____, adopted on August 14, 2000 (such ordinances and resolutions being hereinafter referred to collectively as the "Ordinance"). The principal of and interest on the 2000 Bonds shall be payable as provided in the Ordinance and the Official Statement and shall be secured by a pledge of the "Pledged Funds," as defined in the Official Statement and the Ordinance, on a parity with the County's outstanding Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "1992 Bonds"). Payment by the County, when scheduled, of principal and interest on the 2000 Bonds will be insured by a municipal bond insurance policy (the "Policy") to be issued by Ambac Assurance Corporation (the "Bond Insurer"). Proceeds of the 2000 Bonds will be used, together with other available funds of the County, to (i) finance the acquisition and construction of certain transportation capital improvements, and (ii) pay certain costs of issuance of the 2000 Bonds.

3. It shall be a condition to the County's obligation to sell and to deliver the 2000 Bonds to the Underwriters and to the obligation of the Underwriters to purchase, to accept delivery of and to pay for the 2000 Bonds, that the entire \$_____ aggregate principal amount of the 2000 Bonds shall be sold and delivered by the County and accepted and paid for by the Underwriters at the Closing. The Underwriters agree to make a bona fide public offering of the 2000 Bonds, solely pursuant to the Official Statement, at the initial offering prices set forth in the Official Statement, reserving, however, the right to change such initial offering prices as the Underwriters shall deem necessary in connection with the marketing of the 2000 Bonds and to offer and sell the 2000 Bonds to certain dealers (including dealers depositing the 2000 Bonds into investment trusts) at concessions to be determined by the Underwriters. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market prices of the 2000 Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. The obligation of the County to sell and deliver the 2000 Bonds to the Underwriters shall also be

conditioned upon issuance by Nabors, Giblin & Nickerson, P.A. ("Bond Counsel"), of its approving legal opinion with respect to the 2000 Bonds substantially in the form attached to the Official Statement as Appendix E.

4. The County hereby acknowledges receipt from the Representative of a corporate check of the Representative in the aggregate amount of \$_____ ("Good Faith Check"), which Good Faith Check shall not be cashed by the County except under the circumstances set forth in this Paragraph 4. If the County does not accept this offer, or upon the County's failure (other than for a reason permitted under this Purchase Agreement) to deliver the 2000 Bonds at Closing, or if the County shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement, or otherwise, at Closing, the County shall immediately return the uncashed Good Faith Check to the Representative. If the Underwriters fail (other than for a reason permitted under this Purchase Agreement) to accept and pay for the 2000 Bonds at Closing, the Good Faith Check may be cashed by the County and the proceeds thereof retained by the County as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters, and thereupon, all claims and rights of the County hereunder against the Underwriters shall be fully released and discharged.

5. Prior to the date hereof, the County has provided to the Underwriters for their review the Preliminary Official Statement dated _____, 2000 that the County deemed final (as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule")) as of its date (the "Nearly Final Official Statement"), except for certain permitted omissions (the "Permitted Omissions"), as contemplated by the Rule in connection with the pricing of the 2000 Bonds. The Underwriters have reviewed the Nearly Final Official Statement prior to the execution of this Purchase Contract. The County hereby confirms that the Nearly Final Official Statement was "final" (as defined in the Rule) as of its date, except for the Permitted Omissions. The County shall deliver or cause to be delivered to the Representative, promptly after the acceptance by the County of this Purchase Agreement, a copy of the Official Statement related to the 2000 Bonds, dated _____, 2000, duly executed by the County substantially in the form of the Preliminary Official Statement related to the 2000 Bonds, dated _____, 2000, together with all supplements and amendments thereto, with only such changes therein as shall have been mutually accepted by the Representative and the County. Within seven business days of the acceptance hereof by the County, and at least three business days before the 2000 Bonds are to be delivered to the Underwriters, or within such other period as may be prescribed by the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer, the County shall cause to be delivered such reasonable number of conformed copies of the Official Statement as the Underwriters shall request, which shall be sufficient

in number to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission (17 CRF § 240.15c2-12) under the Securities Exchange Act of 1934 (the "Rule") and with Rule G-32 and all other applicable rules of the MSRB.

The Underwriters agree to file the Official Statement with at least one Nationally Recognized Municipal Securities Information Repository ("NRMSIR") which has 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 a list of the names and addresses of each such NRMSIR receiving a copy to the County upon request. The filing of the Official Statement with each such NRMSIR shall be in accordance with the terms and conditions applicable to such NRMSIR.

The County authorizes, or ratifies as the case may be, the use and distribution of the Nearly Final Official Statement and the Official Statement in connection with the public offering and sale of the 2000 Bonds. The Underwriters agree that they will not confirm the sale of any 2000 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. The Representative shall notify the County of the occurrence of the "end of the underwriting period," as such term is defined in the Rule, on the date which is one day thereafter, and of the passage of the date after which the Underwriter no longer remain obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule on the date which is one day thereafter.

From the date hereof until the earlier of (i) ninety days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from a NRMSIR (but in no case less than 25 days following the end of the underwriting period), if any event occurs which may make it necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters and if, in the reasonable opinion of the County or the reasonable opinion of the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the County, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with each NRMSIR having the Official Statement on file, file with the MSRB if the MSRB is requiring or permitting the filing of continuing disclosure information, and mail such amendment or supplement to each record owner of 2000 Bonds) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriters. The County will promptly notify the Underwriters of the occurrence of any event of

which it has knowledge, which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the 2000 Bonds are hereinafter included within the term "Official Statement."

6. The County hereby represents and warrants to, and covenants and agrees with the Underwriters that:

(A) The County is a validly existing political subdivision of the State of Florida (the "State") and has, and at the time of the Closing will have, full legal right, power and authority (i) to execute and deliver this Purchase Agreement, **[any Surety Agreement]** and the Continuing Disclosure Certificate in the form attached to the Preliminary Official Statement as Appendix ____ (the "Continuing Disclosure Certificate"), (ii) to enact the Ordinance and to enact Ordinance No. _____, as enacted on June 21, 1989, as the same has been supplemented and amended (the "Ordinance") imposing local option gasoline and fuel taxes pursuant to Section 336.025, Florida Statutes (the "Local Option Gas Tax"), (iii) to sell, execute, issue and deliver the 2000 Bonds to the Underwriters pursuant to the Constitution and laws of the State, particularly Chapter 125, Florida Statutes, Chapter 206, Florida Statutes and Section 336.025, Florida Statutes (the "Act") and the Ordinance, (iv) to pledge the Pledged Funds, and (v) to apply the proceeds of the 2000 Bonds in accordance with the Ordinance and as contemplated by the Official Statement.

(B) The County (i) deemed the Preliminary Official Statement final for purposes of the Rule on or prior to the date thereof, (ii) has duly authorized and approved the Official Statement, (iii) has duly authorized and approved the execution and delivery of, and performance by the County of its obligations under the 2000 Bonds, this Purchase Agreement**[, any Surety Agreement]** and the Continuing Disclosure Certificate, (iv) has duly authorized and approved the performance by the County of its obligations under the Ordinance and the consummation by it of all other transactions contemplated by the Official Statement and (v) duly authorized and enacted the Ordinance.

(C) At or prior to the Closing, the 2000 Bonds will have been duly executed and delivered by the County, and each of them and the Ordinance, this Purchase Agreement**[, any Surety Agreement]** and the Continuing Disclosure Certificate will constitute legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by bankruptcy or other laws affecting creditors' rights generally and except that equitable remedies lie in the discretion of the court and may not be available.

(D) The Ordinance creates a valid pledge of, and lien and charge upon, the Pledged Funds to the extent set forth in the Ordinance, on a parity with the lien of the outstanding 1992 Bonds. No other obligations of the County currently have a lien on the Pledged Funds.

(E) As of the date hereof, the County is not, and as of the Date of Closing will not be, in breach of or in default under any constitutional provisions, applicable law or administrative rule or regulation of the State, the United States, or of any department, division, agency or instrumentality of either thereof or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the County is subject or by which it is bound, which in any material way, directly or indirectly, affects the issuance of the 2000 Bonds or the validity thereof, the validity or enactment of the Ordinance, or the execution and delivery of the 2000 Bonds, this Purchase Agreement, the Continuing Disclosure Certificate, **[any Surety Agreement,]** the Official Statement or the other instruments contemplated by the issuance of the 2000 Bonds to which the County is or will be a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State, the United States, or of any department, division, agency or instrumentality of either thereof.

(F) The Nearly Final Official Statement (including the financial and statistical data included therein and the Appendices thereto) as of its date did not and the Official Statement (including the financial and statistical data included therein and the Appendices thereto) does not, and at Closing will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial and statistical data relating to the County and the financial statements of the County contained in the Official Statement fairly present, and at the Closing will fairly present, the financial condition of the County at the dates and for the periods therein specified in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of the County.

(G) Between the date of this Purchase Agreement and the Closing (i) the County will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money, (ii) the County will not incur any material liabilities, direct or contingent, other than those in the ordinary course of business, and (iii) there will not have been any adverse change of a material nature in the financial position of the County.

(H) The 2000 Bonds, the Ordinance**[, any Surety Agreement]** and the Continuing Disclosure Certificate conform to the

descriptions thereof contained in the Official Statement, and the 2000 Bonds, when delivered in accordance with the Ordinance and paid for by the Underwriters at the Closing as provided herein, will be validly issued and outstanding special obligations of the County entitled to all the benefits and security of the Ordinance.

(I) No controversy or litigation of any nature is now pending or, to the best of the County's knowledge, threatened in any court or before any governmental agency:

(i) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the 2000 Bonds or the execution, delivery and performance of this Purchase Agreement[, **any Surety Agreement**] or the Continuing Disclosure Certificate; or

(ii) in any way contesting or affecting (a) the validity or enforceability of the 2000 Bonds, or (b) any proceedings of or on behalf of the County taken with respect to the issuance and sale of the 2000 Bonds, or (c) the enactment of the Ordinance, or (d) the levy and collection of the Local Option Gas Tax, or (e) the execution, delivery and performance of the Continuing Disclosure Certificate [**or any Surety Agreement**], or (f) the pledge of the Pledged Funds effected by the Ordinance, or (g) the existence or powers of the County, or (h) the title to office of the members of the Board of County Commissioners; or

(iii) in any manner questioning (a) the proceedings or authority for the issuance of the 2000 Bonds, or (b) any provisions made or authorized for the payment of the 2000 Bonds, or (c) the existence or operations of the County, or (d) the power of the County to issue the 2000 Bonds, enact the Ordinance, execute and deliver the Continuing Disclosure Certificate, this Purchase Agreement [**or any Surety Agreement**], collect and receive the Local Option Gas Tax, or undertake any other transactions contemplated by the Official Statement; or

(iv) which would have a material adverse effect upon the operations of the County relating to the 2000 Bonds or upon the contemplated use of the proceeds thereof.

(J) None of the County's proceedings or authority for the issuance, sale, execution and delivery of the 2000 Bonds or the execution and delivery of this Purchase Agreement, the Continuing Disclosure Certificate [**or any Surety Agreement**], or the enactment of the Ordinance, as described in the Official Statement, has been repealed, modified, amended, revoked or rescinded.

(K) The County will furnish such information, execute such instruments and take such other action in cooperation with the

Underwriters, as the Underwriters may reasonably request, to qualify the 2000 Bonds for offer and sale under the Blue Sky or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, provided that, in connection therewith, the County shall not be required to file a general consent to service of process or qualify to do business in any jurisdiction or become subject to service of process in any jurisdiction in which the County is not now subject to such service.

(L) The County will apply the proceeds of the 2000 Bonds and other available funds of the County in accordance with the Ordinance and as contemplated by the Official Statement.

(M) All approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect:

(i) the issuance and sale to the Underwriters of the 2000 Bonds; or

(ii) the execution and delivery by the County of, or the performance by it of its obligations under the 2000 Bonds, the Ordinance, the Continuing Disclosure Certificate[, **any Surety Agreement**] and this Purchase Agreement; or

(iii) the collection by the County of the Local Option Gas Tax or the disbursement by the State of Florida to the County of the Local Option Gas Tax revenues;

have been obtained and are in full force and effect, except that the County is not responsible for such approvals, consents, orders or other action as may be required under the securities laws of any state in connection with the offering and sale of the 2000 Bonds.

(N) The County has not, since December 31, 1975 been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, and, other than the Ordinance, the County has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Funds, other than as described in the Official Statement.

(O) Any certificate signed by the Chairman or Vice Chairman of the Board of County Commissioners (the "Board") or other authorized official of the County shall be deemed a representation, warranty

and covenant by the County to the Underwriters as to the statements made therein.

(P) All proceedings of the Board relating to the enactment of the Ordinance, the approval and authorization of the issuance and sale of the 2000 Bonds and the execution of this Purchase Agreement and the Official Statement were conducted at duly convened public meetings of the Board with respect to which all notices were duly given to the public and at which meetings quorums were at all times present.

(Q) The County is eligible to receive the Pledged Funds in the manner described in the Official Statement.

(R) Within seven business days of the acceptance hereof, the County will furnish the Underwriters with as many printed copies of the Official Statement as the Underwriters shall reasonably request, in order to satisfy the requirements of the Rule.

(S) Other than as disclosed in the Official Statement and the Nearly Final Official Statement, the County has never failed to comply with an agreement to provide continuing disclosure information pursuant to the Rule.

7. By 1:00 P.M., New York time, on _____, 2000, or such later date as the County and the Underwriters may mutually agree (the "Date of Closing"), the County will deliver the duly authorized and executed 2000 Bonds in definitive registered bond form, duly executed and authenticated, to the Underwriters, together with the other documents hereinafter mentioned, and subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the 2000 Bonds (plus accrued interest as set forth in Paragraph 1 hereof) by federal or other immediately available funds, to the order of the County. Delivery and payment as aforesaid shall be made at the offices of _____ in _____, Florida, or other such place as shall have been mutually agreed upon by the County and Underwriters. The 2000 Bonds shall be printed, lithographed or typed and shall be prepared in such authorized forms and in such authorized denominations and registered in such names as the Underwriters shall specify in writing at least three business days prior to the Date of Closing. The 2000 Bonds shall be available for examination and packaging by the Underwriters at least one business day prior to the Date of Closing. The County shall cause CUSIP identification numbers to be printed on the 2000 Bonds, but neither failure to print such numbers or any error in such numbers shall constitute cause for the Underwriters to fail to accept delivery and pay for the 2000 Bonds. If the County is unable to deliver the 2000 Bonds in definitive form on the Date of Closing, the Underwriters will accept delivery of 2000 Bonds in temporary form at Closing (the "Temporary Bonds"). The County shall, without unreasonable

delay, deliver the 2000 Bonds in definitive form in exchange for the Temporary Bonds. The County shall reimburse the Underwriters for the net cost of carrying any such Temporary Bonds. Such costs of carrying shall be at the daily broker loan rate as shown in the Wall Street Journal.

8. The Underwriters have entered into this Purchase Agreement in reliance upon the representations, warranties and covenants of the County contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the County of its obligations thereunder, both as of the date hereof and as of the Date of Closing. Accordingly, the Underwriters' obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the 2000 Bonds shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations, warranties and covenants on the part of the County contained herein as of the date hereof and as of the Date of Closing, to the accuracy in all material respects of the statements of the officers and other officials of the County made in any certificates or other documents furnished pursuant to the provisions hereof and to 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 conditions:

(A) At the time of Closing, the Ordinance shall have been duly enacted and this Purchase Agreement and the Continuing Disclosure Certificate shall have been executed and delivered, and the Ordinance, this Purchase Agreement, the Continuing Disclosure Certificate **[and the Surety Agreement]** shall be in full force and effect, and shall not have been repealed, amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters, and there shall have been taken in connection therewith, with the issuance of the 2000 Bonds and with the transactions contemplated thereby and by this Purchase Agreement and the Official Statement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

(B) At the time of Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriters.

(C) At the time of Closing, the representations and warranties of the County contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the Date of Closing, as if made on the Date of Closing.

(D) At the time of the Closing, all official action of the County relating to the Ordinance shall be in full force and effect and shall not have been revoked, amended, modified or supplemented.

(E) At the time of the Closing, all conditions precedent to the issuance of the 2000 Bonds as set forth in the Ordinance shall have been fulfilled.

(F) The market price or marketability of the 2000 Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected, in the sole reasonable judgment of the Underwriters, by reason of any of the following events between the date hereof and the Date of Closing:

(i) Any legislation, rule or regulation is introduced in, enacted by, or favorably recommended for passage to either House of the Congress of the United States or any department or agency in the State, or any legislation, rule or regulation shall have been recommended, officially presented for passage, proposed to either House of the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, a responsible official of the Treasury Department of the United States or of the Internal Revenue Service, or by any committee of such House to which such legislation has been referred for consideration, or a decision is rendered by a court of the United States, including the tax courts of the United States or courts of the State, with the purpose or effect, directly or indirectly, of changing the federal or state income tax consequences of ownership of the 2000 Bonds or any of the transactions contemplated in connection herewith; or other action or events shall have transpired that would, in the judgment of the Underwriter, have the purpose or effect directly or indirectly, of changing the federal or state tax consequences of any of the transactions contemplated in connection therewith or the validity of the 2000 Bonds or which otherwise materially adversely affects the market for the 2000 Bonds or the sale thereof at the contemplated offering prices, by the Underwriters;

(ii) The declaration or existence of war or engagement in major hostilities by the United States or the occurrence of any other national emergency or national or international calamity relating to the effective operation of the government of, or the financial community in, the United States or any conflict involving the armed forces of the United States shall have escalated to such a magnitude as to materially adversely affect the Underwriters' ability to market the 2000 Bonds;

(iii) The declaration of a general banking moratorium by federal, New York or Florida authorities;

(iv) General suspension of trading on the New York Stock Exchange or other national securities exchange, or the imposition by such exchange or any governmental authority, of any material restrictions not now in force with respect to the 2000 Bonds or obligations of the general

character of the 2000 Bonds or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or to the net capital requirements of, the Underwriters;

(v) The withdrawal or downgrading of any rating on the 2000 Bonds, or of any other securities insured by the Bond Insurer by a national rating agency;

(vi) Any amendment to the federal or Florida Constitution or action by any federal or Florida court, legislative body, regulatory body, or other authority materially adversely affecting the validity or enforceability of this Purchase Agreement, the Continuing Disclosure Certificate, **[the Surety Agreement,]** the 2000 Bonds, the Ordinance or the accuracy of the Official Statement or the ability of the County to meet its covenants under the Ordinance;

(vii) The occurrence of a financial crisis or a default with respect to the debt obligations of the County or the institution of proceedings under the federal or state bankruptcy laws by or against the County;

(viii) The issuance of a stop order, release, regulation or no action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter (which is beyond the control of the Underwriters to prevent or avoid) to the effect that the issuance, offering or sale of the 2000 Bonds, or any document relating to the issuance, offering or sale of the 2000 Bonds, is or would be in violation of any provision of state or federal securities laws at the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939;

(ix) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement omits to state a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(x) The enactment or proposal of legislation, or a decision by a court of the United States, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter, to the effect of requiring the 2000 Bonds or any securities of the type contemplated herein, to be subject to registration requirements of the Securities Act of 1933 or that the Ordinance is not exempt from qualification under, or other requirements of, the Trust Indenture Act of 1939, as amended; and

(xi) The Bond Insurer shall inform the County or the Underwriters that it will not insure the payment of the principal of or interest on the Bonds or the **[Reserve Product]** as described in the Official Statement.

(G) At or prior to the Closing, the Underwriters shall have received the following documents, dated as of the Date of Closing, unless otherwise specified, and in each case, satisfactory in form and substance to the Underwriters:

(i) The Official Statement of the County executed on behalf of the County by at least the Chairman and Clerk of the Circuit Court of the County and Ex-Officio Clerk of the Board (the "Clerk");

(ii) Copies of the Ordinance certified by the Clerk as having been duly adopted by the Board and as being in effect on the date of the Closing and as not having been amended since their respective dates of adoption, except as otherwise provided herein;

(iii) The approving opinion of Bond Counsel addressing the legality and tax exemption of the 2000 Bonds dated as of the Date of Closing and addressed to the County in the form as set forth in Appendix __ to the Official Statement, together with a letter of Bond Counsel dated as of the Date of Closing, and addressed to the Underwriters, to the effect that the foregoing opinion addressed to the County may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(iv) The supplemental opinion of Bond Counsel to the County, dated the Date of Closing and addressed to the Underwriters in the form of Exhibit C attached hereto;

(v) The opinion, dated as of the Date of Closing and addressed to the Underwriters, of the County Attorney, in the form of Exhibit D attached hereto;

(vi) The opinion, dated as of the Date of Closing and addressed to the Underwriters, of _____, as disclosure counsel, in the form of Exhibit E hereto;

(vii) A certificate or certificates, dated the Date of Closing and signed by the Chairman or Vice Chairman of the Board and the Clerk or a Deputy Clerk, to the effect that:

(a) The representations and warranties of the County contained herein are true and correct in all material respects on and as of the Date of Closing as if made on the Date of Closing;

(b) None of the proceedings or authority for the issuance, sale, execution and delivery of the 2000 Bonds, and execution, delivery and performance of this Purchase Agreement and the Continuing Disclosure Certificate or enactment of the Ordinance has been repealed, modified, amended, revoked or rescinded;

(c) This Purchase Agreement, the Continuing Disclosure Certificate, the Surety Agreement and the Ordinance are all valid and binding obligations of the County, legally enforceable against the County in accordance with their respective terms;

(d) No event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(e) The County is not in breach of any of the covenants and obligations in the Ordinance, and, as of the date of such certificate, all payments required to be made into the funds and accounts provided therein have been made to the full extent required.

(viii) A certificate (herein sometimes referred to as the "Arbitrage Certificate") of the County executed by the Chairman or Vice Chairman, or other authorized County official dated as of the Date of Closing, setting forth facts, estimates and circumstances concerning the use or application of the proceeds of the 2000 Bonds, and stating in effect that on the basis of such facts, estimates and circumstances in existence on the Date of Closing, it is not expected that the proceeds of the 2000 Bonds will be used in a manner that would cause such 2000 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code").

(ix) Letters from **[Standard & Poor's Corporation and Moody's Investors Service, Inc.]** confirming that the 2000 Bonds have been rated "AAA" and "Aaa," respectively, based on the issuance by the Bond Insurer of the Policy.

(x) A copy of the executed Policy of the Bond Insurer in standard form and substance, insuring the timely payment of principal of, and interest on the 2000 Bonds and a **[Reserve Product]** accompanied by an opinion of counsel to the Bond Insurer dated the Closing Date and addressed to the Underwriters and the County in a form reasonably acceptable to the Representative.

(xi) A letter from _____, independent certified public accountants for the County, dated the Date of Closing, addressed to the Underwriters in form and substance satisfactory to the Underwriters, their counsel and Bond Counsel, consenting to the use of the audited financial statements of the County prepared by them and the references to such firm in the Official Statement.

(xii) A certificate of an authorized representative of _____ (the "Bank"), as Registrar and Paying Agent to the effect that:

(a) the Bank is a **[national banking association]** duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State,

(b) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Ordinance,

(c) the performance by the Bank of its functions under the Ordinance will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Ordinance, and

(d) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Ordinance.

(xiii) A certificate of or letter from the State of Florida Department of Revenue indicating that the County is eligible for the distribution of moneys under Parts II and VI of Chapter 218, Florida Statutes and that such Department is distributing the Local Option Gas Tax to the County and showing the percentage distributed to the County.

(xiv) A certificate of the chief financial officer of the County to the effect that there has occurred no material adverse effect to the financial condition of the County since September 30, 1999, other than as described in the Preliminary Official Statement and the Official Statement.

(xv) Such additional legal opinions and certificates as may be required by the Bond Insurer in its commitment to insure the 2000 Bonds.

(xvi) Such additional legal opinions, certificates, agreements, proceedings, instruments and other documents as Bond Counsel or the Underwriters may reasonably request to evidence the truth and accuracy as of the date hereof, and as of the Date of Closing, of the County's representations contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County at or prior to the Date of Closing of all agreements then to be performed and all conditions then to be satisfied by the County in connection with the transactions contemplated hereby, by the Ordinance and the Official Statement.

If any of the conditions to the obligations of the Underwriters contained in this paragraph or elsewhere in this Purchase Agreement shall not have been satisfied, when and as required herein, all obligations of the Underwriters hereunder may be terminated by the Underwriters at, or at any time prior to, the Closing by written notice to the County, whereupon the County shall return the uncashed Good Faith Check or the amount thereof to the Underwriters.

9. After the date of this Purchase Agreement, the County will not adopt any amendment of, or supplement to, the Official Statement that shall be reasonably disapproved by counsel to the Underwriters. If at any time prior to Closing and within 90 days following the "underwriting period," as defined in the Rule, any event known to the County relating to or affecting the County, the Ordinance, the Continuing Disclosure Certificate, or the 2000 Bonds shall occur, which might affect the correctness or completeness of any statement of a material fact contained in the Official Statement, the County will promptly notify the Underwriters in writing of the circumstances and details of such event.

If, as a result of such event, it is necessary, in the opinion of the County Attorney, Bond Counsel, the Underwriters or counsel to the Underwriters, to amend or supplement the Official Statement in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and any such party shall have so advised the County, the County will, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or a supplement to, such Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement such Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they

were made, not misleading. For the purposes of this paragraph, the County will furnish such information with respect to itself as the Underwriters may from time to time reasonably request in writing.

10. (A) The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the County's obligations hereunder, including, but not limited to: (i) the cost of the preparation, printing and delivery of this Purchase Agreement, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement, (ii) the cost of the preparation, printing and delivery of the 2000 Bonds, (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel and William R. Hough & Co., the Financial Advisor to the County, (iv) the fees of _____, independent certified public accountants to the County in connection with the issuance of the 2000 Bonds, (v) the fees and disbursements of any other experts or consultants retained by the County, (vi) the fees and disbursements of the Paying Agent and rating agency fees, and (vii) the fees and premium of the Bond Insurer for the Policy.

(B) The Underwriters shall pay (i) all advertising expenses in connection with the public offering of the 2000 Bonds, (ii) the fees and disbursements of Holland & Knight LLP, counsel to the Underwriters, and (iii) all other expenses incurred by them in connection with their public offering and distribution of the 2000 Bonds.

11. This paragraph 11 is included in satisfaction of the requirements of Section 218.385(2) and (3), Florida Statutes. The County is proposing to issue \$_____ in principal amount of 2000 Bonds for the purpose of paying the cost of advance refunding the Refunded Bonds and paying the costs of issuance of the 2000 Bonds. The 2000 Bonds are expected to be repaid over a period of _____ years. At a true interest cost rate of _____% total interest paid over the life of the debt or obligation will be \$_____.

The 2000 Bonds will be payable from Pledged Funds in the manner provided in the Ordinance. Authorizing the 2000 Bonds will result in up to \$_____ of the County's Pledged Funds not being available to finance the other services of the County each year for the next _____ years.

The above computations are submitted for purposes of information only.

12. Any notice or other communication to be given to the County under this Purchase Agreement may be given by delivering the same in writing to _____, Attention: _____, and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering

the same in writing to SunTrust Equitable Securities Corporation,

13. This Purchase Agreement is made solely for the benefit of the County and the Underwriters, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations and warranties shall be true as of the date hereof and the date of Closing and all of the covenants set forth or made pursuant to this Purchase Agreement shall remain operative and in full force and effect and shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of: (A) any investigations made by or on behalf of the Underwriters, and (B) delivery of and payment for the 2000 Bonds pursuant to this Purchase Agreement. Further, the agreements contained in Paragraphs 9 and 10 hereof shall survive any termination of this Purchase Agreement. To the extent permitted by applicable law, the County hereby agrees to indemnify the Underwriters against all liability and all claims resulting from the County's intentional actions after the Closing constituting a violation of any covenant referred to in its Resolution which affects adversely the tax-exempt status of the 2000 Bonds.

14. This Purchase Agreement may be executed in any number of counterparts each of which shall be regarded for all purposes as an original, and each of such signed counterparts shall constitute a single instrument.

15. This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairman or Vice Chairman of the Board and shall be valid and enforceable as of the time of such acceptance.

16. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Very truly yours,

SUNTRUST EQUITABLE
SECURITIES CORPORATION, as
Representative of the underwriters

By _____

Accepted by Nassau County,
Florida on the ____ day
of September, 2000.

NASSAU COUNTY, FLORIDA

By _____
Chairman or Vice Chairman of
the Board of County Commissioners

ATTEST:

Clerk of the Circuit Court

Approved as to form by
County Attorney:

By _____
County Attorney

LAK1 #218033 v1

EXHIBIT A

DISCLOSURE LETTER

September __, 2000

Chairman and Members of the
Board of County Commissioners
of Nassau County, Florida

Re: \$_____ Nassau County, Florida Optional Gas Tax Revenue
Bonds, Series 2000 (the "2000 Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of the above-captioned bonds (the "2000 Bonds"), SunTrust Equitable Securities Corporation and A.G. Edwards & Sons, Inc. (the "Underwriters"), pursuant to the Bond Purchase Agreement ("Purchase Agreement") dated September __, 2000, among the Underwriters and Nassau County, Florida (the "County"), hereby make the following disclosures to the County:

(a) The Underwriters are acting as underwriters to the County for the public offering and sale of the 2000 Bonds. The total fee to be paid to the Underwriters pursuant to the Purchase Agreement is equal to approximately ____% or \$____/\$1,000 of the total face amount of the 2000 Bonds.

(b) The expenses estimated to be incurred by the Underwriters in connection with the issuance of the 2000 Bonds are equal to approximately \$____/\$1,000.

(c) The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the County or the Underwriters, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the County and the Underwriters for the purpose of influencing any transaction in the purchase of the 2000 Bonds are:

[None]_____

(d) The amount of underwriting spread expected to be realized is approximately \$____/\$1,000 (exclusive of expenses) for the 2000 Bonds of which \$____/\$1,000 is equal to the management fee.

(e) Any other fee, bonus or other compensation estimated to be paid by the Underwriters in connection with the 2000 Bonds to any person not regularly employed or retained by the Underwriters is as follows:

NONE

(f) The names and addresses of the Underwriters are:

SunTrust Equitable Securities Corporation

A.G. Edwards & Sons, Inc.

Very truly yours,

SUNTRUST EQUITABLE SECURITIES
CORPORATION

A.G. EDWARDS & SONS, INC.

By: SunTrust Equitable Securities
Corporation

By _____
Title _____

ITEMIZATION OF ESTIMATED EXPENSES

Underwriters' Counsel Fees and Expenses
PSA, MSRB, CUSIP Fees, DTC, SPC, DALCOMP
Federal Funds

TOTAL

EXHIBIT B

Maturities, Principal Amounts, Interest Rates and Prices

Maturity Date (____ 1)	<u>Principal</u>	<u>Interest</u>	<u>Price</u>
---------------------------	------------------	-----------------	--------------

EXHIBIT C

[Supplemental Opinion of Bond Counsel]

EXHIBIT D

[Opinion of County Attorney]

EXHIBIT E

[Form of Opinion of Disclosure Counsel]

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED ^ AUGUST __, 2000

NEW ISSUE – BOOK ENTRY ONLY

RATINGS: 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 2000 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 2000 Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.

\$ _____ *

NASSAU COUNTY, FLORIDA
OPTIONAL GAS TAX REVENUE BONDS, SERIES 2000

Dated: ^ September 1, 2000

Due: March 1, as shown below

The Optional Gas Tax Revenue Bonds, Series 2000 (the “Series 2000 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 2000 Bonds. The Series 2000 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 2000 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2000 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 2000 Bond. See “DESCRIPTION OF THE SERIES 2000 BONDS - Book-Entry Only System” herein. Interest on the Series 2000 Bonds will be payable on September 1 and March 1 of each year, commencing on September 1, 2000.

The Series 2000 Bonds are subject to mandatory and optional redemption as described herein.

The Series 2000 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, Chapter 206, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law (the “Act”), Ordinance No. 86-8 enacted by the Board of County Commissioners on February 14, 1986, as amended and supplemented, Ordinance No. 87-29, enacted by the Board on March 17, 1987, as amend and supplemented, and Resolution No. 88-28 adopted by the Board of County Commissioners on January 12, 1988, as amended and supplemented, to finance the costs of (1) the acquisition and construction of certain transportation capital improvements within the County, and (2) paying certain costs related to the issuance and sale of the Series 2000 Bonds, including the premiums for a municipal bond insurance policy and a reserve account surety bond. See the discussion under the headings “PURPOSE OF ISSUE” and THE PROJECT” herein.

The Series 2000 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 six cent local option gas tax upon motor fuel and other fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes (the "Gas Tax Revenues") 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". The lien upon and pledge of the Pledged Funds in favor of the Holders of the Series 2000 Bonds is on a parity with the lien upon and pledge of such Pledged Funds in favor of the Holders of the County's outstanding \$6,460,000 principal amount of Optional Gas Tax Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"). The Series 1992 Bonds, the Series 2000 Bonds and Additional Parity Bonds issued under the Resolution are herein sometimes collectively called the "Bonds". See the information under the heading "SECURITY FOR THE SERIES 2000 BONDS" herein.

The payment of the principal of and interest on the Series 2000 Bonds when due will be insured by a municipal bond insurance policy to be issued by ^ Ambac Assurance Corporation simultaneously with the delivery of the Series 2000 Bonds. See the material under the heading "MUNICIPAL BOND INSURANCE" herein.

[LOGO]

The Series 2000 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 on a parity with the outstanding \$^ 6,460,000 principal amount of the Series 1992 Bonds. 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 2000 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 2000 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>(March 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>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
-------------------------------------	-----------------------------------	--------------------------------	---------------------------------	-------------------------------------	-----------------------------------	--------------------------------	---------------------------------

\$ _____ % Term Bonds, due March 1, 20__, Yield _____ %
(Accrued interest from ^ September 1, 2000, to be added)

The Series 2000 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 Livermore, Freeman & McWilliams, P.A., Disclosure Counsel. William R. Hough & Co., Jacksonville, Florida, is acting as financial advisor to the County. It is expected that the Series 2000 Bonds will be available for delivery to the Underwriters in New York, New York, on or about ^ September __, 2000.

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.

SUNTRUST EQUITABLE SECURITIES

A.G. EDWARDS & SONS, INC.

Dated: ^ September __, 2000

*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Series 2000 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction.

NASSAU COUNTY, FLORIDA

191 Nassau Place
Yulee, Florida 32097
(904) 321-5800

BOARD OF COUNTY COMMISSIONERS

Nick B. Deonas, Chairman
Marianne Marshall, Vice Chair
J. H. "Pete" Cooper, Commissioner
David C. Howard, Commissioner
Floyd L. Vanzant, 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 2000 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 2000 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 2000 Bonds for sale.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2000 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2000 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.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
PURPOSE OF THE SERIES 2000 BONDS	1
ESTIMATED SOURCES AND USES OF FUNDS	2
DESCRIPTION OF THE SERIES 2000 BONDS	2
General	2
Book Entry Only System	2
Discontinuance of Securities Depository	4
Registration, Transfer and Exchange	5
Redemption Provisions	5
Notice and Effect of Redemption	6
DEBT SERVICE SCHEDULE	8
SECURITY FOR THE SERIES 2000 BONDS	9
General	9
Gas Tax Revenues	9
Eligibility for Distribution	10
Historical Gasoline Sales in the County	10
Gas Tax Receipts	11
Distribution of Local Option Gas Tax Between the County and the Municipalities	11
Coverage of Maximum Annual Debt Service Requirement	12
Reserve Account	12
Additional Parity Bonds	13
COVENANTS REGARDING GAS TAX REVENUES	14
Accounting Records	14
No Impairment of Contract	14
Remedies	14
MUNICIPAL BOND INSURANCE	15
THE PROJECT	15
APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION	15
Creation of Funds and Accounts	15
Accounting Treatment of Funds and Accounts	15
Flow of Funds	16
INVESTMENT CONSIDERATIONS	16
General	16
Economic Trends	16
Enforceability of Remedies	17

TABLE OF CONTENTS

	<u>Page</u>
Limitation on State Revenues Amendment	17
NASSAU COUNTY, FLORIDA	18
Background	18
Government	18
Administration	18
Budgetary Process	19
Description of Financial Practices and Financial Statements	19
Investment Policy	19
GENERAL PURPOSE FINANCIAL STATEMENTS	22
LITIGATION	22
General	22
TAX EXEMPTION	22
Internal Revenue Code of 1986	23
Collateral Tax Consequences	23
Florida Taxes	23
Other Tax Matters	23
Original Issue Discount	24
LEGAL OPINION	24
ENFORCEABILITY OF REMEDIES	25
ADVISORS AND CONSULTANTS	25
RATINGS	26
UNDERWRITING	26
CONTINUING DISCLOSURE	26
MISCELLANEOUS	27

Appendix A	General Information Concerning Nassau County, Florida
Appendix B	Financial Statements for Year Ended September 30, 1999
Appendix C	Forms of Ordinance and Bond Resolution
Appendix D	Form of Bond Counsel Opinion
Appendix E	Specimen of Municipal Bond Insurance Policy
Appendix F	Form of Continuing Disclosure Certificate

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 2000 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 2000 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 and west 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. Mary's 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 2000 Bonds are being issued under the authority of, and in full compliance with, the Constitution and Statutes of the State of Florida, including particularly Chapters 125 and 206, Florida Section 336.025, Florida Statutes, and other applicable provisions of law (the "Act"), Ordinances Nos. 86-8 and 87-29, enacted by the Board of County Commissioners of the County on February 14, 1986, and March 17, 1987, respectively, as amended and supplemented, particularly as amended and supplemented by Ordinances Nos. 00-__ and 00-__, both enacted by the Board of County Commissioners on [^] August 14, 2000, and Resolution No. 88-28 adopted by the Board of County Commissioners on January 12, 1988, as amended and supplemented, particularly as supplemented by Resolution No. 00-__, adopted on [^] August 14, 2000 (collectively, the "Resolution").

Purpose of the Series 2000 Bonds

~~The proceeds to be received from the sale of the Series 2000 Bonds will be used by the County pursuant to the Resolution to provide funds (1) to pay the costs of the acquisition and construction of certain transportation capital improvements in the County, and (2) to pay certain costs related to the issuance and sale of the Series 2000 Bonds, including the premiums for a municipal bond insurance policy and a reserve account surety bond. See "PURPOSE OF THE SERIES 2000 BONDS", "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.~~

Sources and Security of Payment for the Series 2000 Bonds

The Series 2000 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 on a parity with the County's outstanding \$6,460,000 principal amount of Optional Gas Tax Revenue Refunding Bonds, Series 1992. The Series 2000 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 2000 BONDS" herein.

Reserve Account Requirement

The County has covenanted in the Resolution to maintain a subaccount in the Reserve Account equal to the ^ Reserve Account Requirement on the ^ Series 2000 Bonds. On the date of delivery of the Series 2000 Bonds, the County will purchase a Surety Bond from Ambac Assurance Corporation for the purpose of funding the Reserve Account Requirement for the Series 2000 Bonds. See the heading "SECURITY FOR THE SERIES 2000 BONDS -- Reserve Account," herein.

Municipal Bond Insurance

Payment of the principal of and interest on the Series 2000 Bonds when due will be insured by a municipal bond insurance policy to be issued simultaneously with the delivery of the Series 2000 Bonds by ^ Ambac Assurance 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 2000 Bonds maturing on and before March 1, 20__, are not subject to redemption prior to their stated dates of maturity. The Series 2000 Bonds maturing on or after March 1, 20__, are subject to redemption prior to maturity, at the option of the County, on or after March 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 2000 Term Bonds maturing in the year 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 2000 BONDS" and the caption "Redemption" thereunder.

Denominations. The Series 2000 Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Book-Entry Only System. The Series 2000 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 2000 Bonds. The Series 2000 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 2000 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2000 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 2000 Bond. See "DESCRIPTION OF THE SERIES 2000 BONDS - Book-Entry Only System" herein.

Paying Agent and Registrar. _____, will serve as Paying Agent and Registrar for the Series 2000 Bonds.

For a more complete description of the Series 2000 Bonds and the basic documentation pursuant to which the Series 2000 Bonds are issued, see "DESCRIPTION OF THE SERIES 2000 BONDS" and "SECURITY FOR THE SERIES 2000 BONDS" herein.

Continuing Disclosure

The County has undertaken 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 2000 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds in definitive form will be available for delivery in New York, New York, on or about [^]September __, 2000.

End of Summary Statement

OFFICIAL STATEMENT
relating to
\$ _____ *
Nassau County, Florida
Optional Gas Tax Revenue Bonds, Series 2000

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 Optional Gas Tax Revenue Bonds, Series 2000 (the "Series 2000 Bonds"). The Series 2000 Bonds are being issued pursuant to the Constitution and Statutes of the State of Florida, including particularly Chapters 125 and 206, Florida Statutes, Section 336.025, Florida Statutes, and other applicable provisions of law (the "Act"), Ordinance No. 86-8 enacted by the Board of County Commissioners of the County on February 14, 1986, as amended and supplemented, Ordinance No. 87-29, enacted by the Board on March 17, 1987, as amended and supplemented, and Resolution No. 88-28 adopted by the Board of County Commissioners on January 12, 1988, as amended and supplemented (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 2000 Bonds, the security for the payment of the Series 2000 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) 321-5800, 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 2000 Bonds, other than the Resolution, is to be construed as a contract with the Registered Owners of the Series 2000 Bonds.

PURPOSE OF THE SERIES 2000 BONDS

The Series 2000 Bonds are being issued to provide funds for the purpose of financing the costs of (1) the acquisition and construction of certain transportation capital improvements in the County (the "Project"), and (2) the payment of certain costs relating to the issuance and sale of the Series 2000 Bonds, including the premiums for a municipal bond insurance policy and a reserve account surety bond. See "THE PROJECT" herein for a more-detailed description of the Project.

*Preliminary, subject to change

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds for the Series 2000 Bonds.

SOURCES:

Principal Amount	\$
Accrued Interest	
Original Issue Discount	
TOTAL SOURCE	\$

USES:

Deposit to Construction Fund	\$
Deposit to Debt Service Fund ⁽¹⁾	
Underwriters' Discount	
Issuance Costs ⁽²⁾	
TOTAL USES	\$

(1) Includes accrued interest.

(2) Includes rating agencies fees, legal and financial advisory fees, municipal bond insurance premium and premium for reserve account surety bond.

DESCRIPTION OF THE SERIES 2000 BONDS

General

The Series 2000 Bonds will be dated as of [^]September 1, 2000, 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 2000 Bonds will be payable semiannually on September 1 and March 1 of each year, commencing September 1, 2000. Principal of and premium, if any, and interest on the Series 2000 Bonds will be payable in the manner described below under "Book-Entry Only System". The Series 2000 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 2000 Bonds. The Series 2000 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 2000 Bonds, payments of the principal of and interest due on the Series 2000 Bonds will be payable directly to DTC. References herein to the registered owners of the Series 2000 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 2000 Bonds under the DTC system may be made by or through Direct Participants, which will receive a credit for the Series 2000 Bonds on DTC’s records. The Participants purchasing the Series 2000 Bonds shall receive a credit balance in the records of DTC. The ownership interest of each actual purchaser of the Series 2000 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 2000 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 2000 Bonds, except in the event that use of the book-entry system for the Series 2000 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2000 Bonds deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Series 2000 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 2000 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 2000 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 2000 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 2000 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds and redemption premium, if any, thereon will be payable in lawful money of the United States of America at the principal office of _____, as Paying Agent (the "Paying Agent"). Interest on the Series 2000 Bonds will be payable on each March 1 and September 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 2000 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 2000 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 2000 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 2000 Bonds. The Series 2000 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 2000 Bonds remain outstanding, the Registrar must maintain and keep the bond registration books.

All Series 2000 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 2000 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 2000 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 2000 Bonds delivered upon any transfer or exchange will be valid obligations of the County, evidencing the same debt as the Series 2000 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 2000 Bonds surrendered.

Whenever any Series 2000 Bond shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Series 2000 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 2000 Bonds maturing on or after March 1, 20__, are subject to redemption prior to maturity, at the option of the County, on or after March 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:

<u>Period During Which Redeemed</u> <u>(Both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
March 1, 20__ through February 28, 20__	%
March 1, 20__ through February 28, 20__	
March 1, 20__ and thereafter	

Amortization Installments. The Series 2000 Term Bonds maturing on March 1, 20__ 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 March 1 of each year the principal amount of such Series 2000 Bonds set forth in the table below:

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

* Maturity

Notice and Effect of Redemption

Notice of redemption, which shall specify the Series 2000 Bond or Series 2000 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 2000 Bonds, (B) shall be mailed first class, postage prepaid, at least thirty (30) days prior to the redemption date to all Holders of Series 2000 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 2000 Bonds to be redeemed, or any defect therein, shall not affect the validity of the proceedings of redemption of such Series 2000 Bonds as to which no such failure or defect has occurred. Notice of any redemption of Series 2000 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 2000 Bonds being redeemed; (2) the original issue date of such Series 2000 Bonds; (3) the maturity date and rate of interest borne by each Series 2000 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 2000 Bonds are to be redeemed the certificate number (and, in the case of a partial redemption of any Series 2000 Bond, the principal amount) of each Series 2000 Bond to be redeemed; (8) that on such redemption date there shall become due and payable upon each Series 2000 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 2000 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 2000 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 2000 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 2000 Bond, without service charge, a new Series 2000 Bond or Series 2000 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 2000 Bonds so surrendered.

Notice of redemption having been given substantially as aforesaid, the Series 2000 Bonds or portions of Series 2000 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 2000 Bonds or portions of Series 2000 Bonds shall cease to bear interest. Upon surrender of such Series 2000 Bonds for redemption in accordance with said notice, such Series 2000 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2000 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 2000 Bonds and the outstanding Series 1992 Bonds for each Bond Year ending March 1.

<u>Bond Year</u> <u>Ending 3/1</u>	<u>Series 2000 Bonds</u>		<u>Series 1992 Bonds</u> <u>Debt Service</u>	<u>Total Debt</u> <u>Service</u> ⁽¹⁾
	<u>Principal</u>	<u>Interest</u> ⁽¹⁾		
2001			\$939,907.50	
2002			944,982.50	
2003			942,615.00	
2004			942,690.00	
2005			945,170.00	
2006			944,700.00	
2007			941,200.00	
2008			943,800.00	
2009			943,400.00	
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
Totals:	\$		\$8,488,465.00	\$

(1) Includes accrued interest in the amount of \$_____.

SECURITY FOR THE SERIES 2000 BONDS

General

The principal of and interest on the Bonds, including the outstanding Series 1992 Bonds, the Series 2000 Bonds and Additional Parity Bonds hereafter issued under the Resolution, are payable from and secured by a prior lien upon and a pledge of payments received by the County derived from the six cent local option gas tax upon motor fuel and other fuel sold in the County and taxed under the provisions of Chapter 206, Florida Statutes, imposed by and distributed monthly to the County in accordance with the provisions of Section 336.025, Florida Statutes (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 2000 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 2000 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.

Gas Tax Revenues

Section 336.025, Florida Statutes, authorizes counties to impose, for a period not to exceed 30 years, the Local Option Gas Tax upon every gallon of motor fuel and special fuel sold in each such county and taxed under Chapter 206, Florida Statutes. "Motor fuel" is statutorily defined as gasoline and fuels containing a mixture of gasoline and other products. "Special fuel" is statutorily defined as any liquid product or gas product used in an internal combustion engine to propel any form of vehicle, including diesel fuel but excluding kerosene. The Local Option Gas Tax is remitted by gasoline and special fuels dealers to the Florida Department of Revenue (the "Department") each month. In the next month, the Department deposits the tax into the Local Option Gas Tax Trust Fund (the "Gas Tax Fund") and the following month the Department, after subtracting a service charge of 7.13% distributes moneys in the Gas Tax Fund to the counties that impose the tax and to eligible municipalities within such counties. The amount distributed by the Department for a given month is based on preliminary computations by the Department and may be increased or decreased based upon the Department's later final computations. Any such increase or decrease is added to or subtracted from the amount otherwise distributable in the month within which such final computations are made.

Disbursements from the Gas Tax Fund may be used only for the following programs: (1) public transportation operations and maintenance; (2) roadway and right-of-way maintenance and equipment; (3) roadway and right-of-way drainage; (4) street lighting; (5) traffic signs, traffic engineering, signalization and pavement markings; (6) bridge maintenance and operation; and (7) debt service and current expenditures for transportation capital projects in the foregoing areas, including construction and reconstruction of roads.

The Board, by Ordinance Nos. 86-8 and 87-29, as amended (herein collectively, the "Ordinance"), levied a Local Option Gas Tax totalling six cents; two cents from September 1, 1986, and four cents from September 1, 1987, ending on March 1, 2009. The Board by Ordinance No. 00-__ and 00-__ extended the imposition of the Gas Taxes until the date of the final maturity of the Series 2000 Bonds. In the Resolution, the County pledged its entire portion of the Local Option Gas Tax Revenues received from the Department as security for the Bonds.

Eligibility for Distributions

Chapter 336.025, Florida Statutes, provides that only those municipalities and counties eligible for participation in the distribution of moneys under Chapter 218, Part II, Florida Statutes (the "State Revenue Sharing Act"), are eligible to receive Local Option Gas Tax Revenues.

The State Revenue Sharing Act provides, in effect, that local governments shall be eligible to receive distributions thereunder only if they comply with certain statutory requirements concerning financial reporting, auditing, levying of taxes and raising of revenues, as well as certifying compliance with statutes governing the employment of law enforcement officers and firefighters.

The County represents that it has had no difficulty in complying with the statutory eligibility requirements under the State Revenue Sharing Act in the past, and that it anticipates no difficulty doing so in the future.

Historical Gasoline Sales in the County

The volume of gasoline and special fuel sold in the County is set forth below for the years indicated:

Number of Gallons(1)			
State Fiscal Year <u>Ended June 30</u>	<u>Gasoline</u>	<u>Special Fuel</u>	<u>Total</u>
1990	27,824,316	9,970,039	37,794,355
1991	26,594,609	10,474,358	37,068,967
1992	27,030,877	9,591,514	36,622,391
1993	26,362,115	10,087,760	36,449,876
1994	25,692,566	9,130,053	34,822,618
1995	25,655,190	8,500,790	34,155,980
1996	25,507,110	6,969,984	32,477,095
1997	27,866,845	7,792,569	35,659,413
1998	27,493,886	7,629,658	^ 35,123,545
1999	26,471,526	7,863,908	34,335,434

Source: State of Florida, Department of Revenue, Office of Tax Research
(1) Rounded

Gas Tax Receipts

State Fiscal Year Ending June 30(1)	Total Gallons	Gas Tax Pledged at \$.06 Per Gallon	Less Service Charge to State of Florida(2)	Less 1.3% Dealer Florida(3)	Total Available for Distribution to Nassau County and Eligible Municipalities	Distribution to Nassau County
1990	37,794,355	\$2,267,661	\$136,693	\$29,617	\$2,101,351	\$1,674,824
1991	37,068,967	2,224,138	162,362	28,914	2,032,862	1,685,968
1992	36,622,391	2,197,343	160,406	24,420	2,012,517	1,625,832
1993						1,634,643
1994						1,588,350
1995						1,557,705
1996						1,406,014
1997						1,558,064
1998						1,643,326
1999						1,498,433

Source: State of Florida Department of Revenue, Tax Research

- (1) Records of fuel consumption are maintained on a State of Florida fiscal year basis.
- (2) Pursuant to sections 215.20 and 215.22, Florida Statutes.
- (3) Average discounts permitted under Section 206.43, Florida Statutes.

Distribution of Local Option Gas Tax Between Nassau County and All Municipalities Within the County

The Local Option Gas Tax is distributed among the County and its underlying municipalities in accordance with Section 336.025(4), Florida Statutes, which states in part:

"If the tax is imposed under the circumstances of subparagraph (3)(a)2, or paragraph (3)(b), the proceeds of the tax shall be distributed among the county government and eligible municipalities based on the transportation expenditures of each for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. After the initial imposition of the tax ... the proportions shall be recalculated every 10 years based upon the transportation expenditures of the immediately preceding 5 years. However, ... the amounts distributed to the county government and each municipality shall not be reduced below the amount necessary for the payment of principal and interest and reserves ... as required under the covenants of any bond resolution outstanding on the date of recalculation."

Pursuant to the Ordinance, the County levied the two cents portion of the Local Option Gas Tax on September 1, 1986, and the four cents portion of the Local Option Gas Tax on September 1, 1987. Transportation expenditures for the 5 fiscal years preceding the years in which the respective portions of the Local Option Gas Tax were authorized is as follows:

TWO CENTS PORTION

	<u>1990/91</u>	<u>1991/92</u>	<u>1992/93</u>	<u>1993/94</u>	<u>1994/95</u>	5 YEAR <u>TOTAL</u>	DISTRIBUTION <u>PERCENT</u>
NASSAU COUNTY	4,696,874	5,659,141	5,206,612	6,233,781	5,100,301	26,896,709	81.9961%
TOWN OF CALLAHAN	90,934	68,896	71,886	53,476	56,970	342,162	1.0431%
TOWN OF HILLIARD	103,041	118,329	293,097	282,496	292,235	1,089,198	3.3205%
CITY OF FERNANDINA BEACH	765,202	781,211	681,660	750,770	1,495,515	4,474,358	13.6403%
TOTAL	\$5,656,051	\$6,627,577	\$6,253,255	\$7,320,523	\$6,945,021	\$32,802,427	100.0000%

FOUR CENTS PORTION

	<u>1991/92</u>	<u>1992/93</u>	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>	5 YEAR <u>TOTAL</u>	DISTRIBUTION <u>PERCENT</u>
NASSAU COUNTY	5,659,141	5,206,612	6,233,781	5,100,301	26,896,709	27,633,924	81.1401%
TOWN OF CALLAHAN	68,896	71,886	53,476	56,970	342,162	305,535	0.8971%
TOWN OF HILLIARD	118,329	293,097	282,496	292,235	1,089,198	1,244,986	3.6556%
CITY OF FERNANDINA BEACH	781,211	681,660	750,770	1,495,515	4,474,358	4,872,619	14.3072%
TOTAL	\$6,627,577	\$6,253,255	\$7,320,523	\$6,945,021	\$32,802,427	\$34,057,064	100.0000%

Based on the above transportation expenditures, adjusted to account for the outstanding indebtedness of the Town of Hilliard, the percentage of the Local Option Gas Tax allocated to the County and each of the eligible municipalities for the second 10 years of each respective levy is as follows:

County of Nassau	79.3613%
Town of Callahan	0.9458%
Town of Hilliard	5.6080%
City of Fernandina Beach	<u>14.0849%</u>
TOTAL	<u>100.0000%</u>

Source: Nassau County

Coverage of Maximum Annual Debt Service Requirement

	<u>State Fiscal Year Ended June 30,</u>				
	1995	1996	1997	1998	1999
Local Option Pledged					
Gas Tax Revenues	\$	\$	\$	\$	\$
Maximum Annual Debt					
Service Requirement on					
the Series 1992 Bonds					
and the Series 2000 Bonds	\$	\$	\$	\$	\$
<hr/>					
Debt Service Coverage					
Ratio					

Reserve Account

^ The Resolution requires the establishment of a Reserve Account in an amount equal to the Reserve Account Requirement. The Resolution authorizes the County to obtain a Surety Bond in place of fully funding the Reserve Account. Accordingly, application has been made to Ambac Assurance Corporation ("Ambac Assurance") for the issuance of a Surety Bond for the purpose of funding the Reserve Account Requirement for the Series 2000 Bonds. The Series 2000 Bonds will only be delivered upon the issuance of such Surety Bond. The premium on the Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2000 Bonds. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance of a demand for payment executed by the Paying Agent certifying that provision for the payment of principal of or interest on the Series 2000 Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Series 2000 Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the County is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the County is subordinate to the County's obligations with respect to the Series 2000 Bonds.

In the event the amount on deposit, or credited to the Reserve Account, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Reserve Account have been expended. In the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Resolution provides that the Reserve Account shall be replenished in the following priority: (i) principal and interest on the Surety Bond shall be paid from first available Pledged Funds; (ii) after all such amounts are paid in full, amounts necessary to fund the

Reserve Account to the required level, after taking into account the amounts available under the Surety Bond shall be deposited from next available Pledged Funds.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Paying Agent.

The insurance provided by the Surety Bonds is not covered by the Florida Insurance Guaranty Association.

Additional Parity Bonds

Pursuant to the Resolution, the County may issue Additional Parity Bonds payable on a parity from the Pledged Funds with the outstanding Series 1992 and the Series 2000 Bonds, upon the following terms and conditions:

1. There shall have been obtained and filed with the County a statement of an independent certified public accountant of reasonable experience and responsibility: (a) stating that the books and records of the County relating to the collection and receipt of the Gas Tax Revenues have been examined by him; (b) setting forth the amount of the Gas Tax Revenues received by the County for 24 consecutive months out of the 30 month period immediately preceding the proposed date of delivery of such Additional Parity Bonds; and (c) stating that the Gas Tax Revenues received for each of 2 consecutive 12-month periods of such 24 consecutive months are at least equal to 1.50 times the Maximum Debt Service Requirement to become due in any ensuing Bond Year on the Bonds then outstanding, and the Additional Parity Bonds proposed to be issued, and at least 1.00 times all amounts then due and owing to the issuer of a Reserve Account insurance policy or letter of credit.

2. The resolution authorizing the Additional Parity Bonds will recite that all applicable covenants contained in the Resolution apply to the Additional Parity Bonds.

3. The Ordinance shall be amended, as necessary, to impose the Local Option Gas Tax until final maturity of the Additional Parity Bonds proposed to be issued.

4. The County shall not be in breach of the covenants and obligations assumed under the Resolution, and all payments required to have been made into funds and accounts created under the Resolution shall be made to the full extent required.

5. If the issuance of the proposed Additional Parity Bonds is for the purpose of partial refunding, and does not increase the debt service in the current or any subsequent fiscal year that would otherwise be payable on the bonds to be refunded, then the conditions stated in paragraph 1 above shall not apply.

6. No Additional Parity Bonds may be issued without the consent of the issuer of any Reserve Account insurance policy or letter of credit, if amounts are past due and owing under such instruments.

7. Upon the issuance of Additional Parity Bonds, the County shall deposit an amount of cash or authorized investments or, upon compliance with the provisions of the Resolution, a Reserve Account insurance policy or letter of credit, equal to the Reserve Account requirement for such Bonds. Under certain circumstances such amount may be accumulated within 3 years after the issuance of such Bonds.

COVENANTS OF COUNTY REGARDING GAS TAX REVENUES

Accounting Records

The County shall maintain separately identifiable accounting records for receipt of the Pledged Funds, by the use of a fund established in accordance with generally accepted accounting practices, and any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the County relating thereto. Within 180 days of the close of each fiscal year, the County shall have its books and records related to the Pledged Funds audited by an independent certified public accountant.

No Impairment of Contract

The County has full power and authority to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds. The pledge of such Pledged Funds, in the manner provided in the Resolution, shall not be subject to repeal, modification or impairment by any subsequent resolution, ordinance or other proceedings of the County or by any subsequent act of the Legislature of the State of Florida, unless the County shall have provided, or such Legislature shall have made immediately available to the County, such additional or supplemental funds which shall be sufficient to retire the Bonds and the interest thereon in accordance with their terms. The County shall take all actions necessary and pursue such legal remedies which may be available to it either in law or in equity to prevent or cure any impairment. Furthermore, the County agrees that if it enters into any subsequent agreement with respect to the distribution of Gas Tax Revenues, such agreement shall not diminish or reduce in any way the County's current share of the Gas Tax Revenues.

Remedies

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

If any payments of debt service requirements are made by a municipal bond insurer with respect to bonds which have not been defeased in accordance with the provisions of the Resolution, the lien upon and pledge of the Pledged Funds and all covenants and other obligations of the County to the registered owners shall continue to exist and the insurer shall be subrogated to the rights of the registered owners of such bonds with respect to the debt service requirements paid or insured by such municipal bond insurer.

MUNICIPAL BOND INSURANCE

The following information has been furnished by Ambac Assurance Corporation ("Ambac" or the "Insurer") for use in this Official Statement. Reference is made to Appendix E for a specimen copy of the municipal bond insurance policy.

Payment Pursuant to Municipal Bond Insurance Policy

Ambac Assurance has made a commitment to issue a municipal bond insurance policy (the "Municipal Bond Insurance Policy") relating to the Bonds effective as of the date of issuance of the Bonds. Under the terms of the Municipal Bond Insurance Policy, Ambac Assurance will pay to the United Trust Company of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Municipal Bond Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Paying Agent has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Municipal Bond Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Municipal Bond Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Paying Agent, if any.

If it becomes necessary to call upon the Municipal Bond Insurance Policy, payment of principal requires surrender of Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Municipal Bond Insurance Policy. Payment of interest pursuant to the Municipal Bond Insurance Policy requires proof of Bondholder entitlement to interest payments and an appropriate assignment of the Bondholder's right to payment to Ambac Assurance.

Upon payment of the issuance benefits, Ambac Assurance will become the owner of the Bonds, appurtenant coupon, if any, or right to payment of principal of or interest on such Bond and will be fully subrogated to the surrendering Bondholder's rights to payment.

The insurance provided by the Municipal Bond Insurance Policy is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance Corporation ("Ambac Assurance") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately \$4,031,000,000 (unaudited) and statutory capital of approximately \$2,474,000,000 (unaudited) as of March 31, 2000. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch IBCA, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its municipal bond insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer of the Bonds.

Ambac Assurance makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "MUNICIPAL BOND INSURANCE".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices at 7 World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the offices of the New York Stock

Exchange, Inc. (the "NYSE") at 20 Broad Street, New York, New York 10005. The Company's Common Stock is listed on the NYSE.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Commission (File No. 1-10777) are incorporated by reference in this Official Statement.

(1) The Company's Current Report on Form 8-K dated January 26, 2000 and filed on January 27, 2000;

(2) The Company's Current Report on Form 8-K dated March 13, 2000 and filed on March 13, 2000;

(3) The Company's Current Report on Form 8-K dated March 21, 2000 and filed in March 22, 2000;

(4) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and filed on March 30, 2000; and

(5) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 and filed on May 12, 2000.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information".

THE PROJECT

The Project consists of the construction of certain transportation capital improvements within the County as follows:

[To Come]

The Project is expected to be completed within ___ months from the date hereof, and the estimated cost of the Project is \$ _____. Bids have been received and contracts awarded for the Project and construction is expected to commence shortly after the issuance of the Series 2000 Bonds. Other improvements may be undertaken in lieu of, or in addition to, the ones set forth above under certain circumstances and upon the approval of the governing body of the County by supplemental resolution.

APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION

Creation of Funds and Accounts

In the Resolution, the County covenants and agrees to establish four (4) separate funds: Revenue Fund, Sinking Fund (including the Reserve Account and the Bond Amortization Account therein), the Costs of Issuance Fund and the Construction Fund.

Accounting Treatment of Funds and Accounts

The Resolution provides that the moneys required to be accounted for in each of the funds and accounts may be deposited in a single bank account, and the moneys allocated to the various funds and accounts 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 and accounts.

The designation and establishment of the various funds and accounts 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

Pursuant to the Resolution, the County has covenanted that the Gas Tax Revenues shall be deposited, as received, to the credit of the Revenue Fund. The moneys in the Revenue Fund will be disposed of on or before the 25th day of each month as follows:

(a) First to the Sinking Fund, such amount as will be sufficient to pay one-sixth of all interest becoming due on the Bonds on the next semiannual interest payment date and one-twelfth of all principal maturing on the serial Bonds on the next maturity date. If the first interest payment date or the first principal maturity date occurs either more or less than 6 months or 12 months, as the case may be, after delivery of the Bonds to the original purchaser, then the foregoing payments shall be adjusted accordingly to provide for such interest or first principal payment.

(b) On a parity with the Sinking Fund payments, Gas Tax Revenues shall simultaneously be applied and allocated to the Bond Amortization Account, to the extent required, in such sums as will be equal to one-twelfth of the Amortization Installment, as defined in the Resolution, required to be made on the next annual payment date for term Bonds, plus the amount of any prior deficiencies.

(c) Next to the Reserve Account, an amount sufficient to (i) reinstate any Reserve Account insurance policy or letter of credit claims or draws, (ii) to replenish any cash withdrawals and (iii) reimburse the issuer of any Reserve Account insurance policy or letter of credit for its fees and expenses.

(d) The balance of the Gas Tax Revenues remaining after the above required payments (including any deficiencies in prior payments) and interest owed on any amounts advanced under a Reserve Account insurance policy or letter of credit have been made, may be used for any lawful purpose.

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

The ability of the County to repay the Series 2000 Bonds will depend upon the continued receipt of the Gas Tax Revenues in substantially the amounts [^]historically received by the County and the State of Florida Department of Revenue. [^] There is no assurance that such Gas Tax Revenues will continue to be received in the amounts received in prior years.[^]

Enforceability of Remedies

The remedies available to the owners of the Series 2000 Bonds upon a default in payment of the Series 2000 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 2000 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. Mary's 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>
Nick B. Deonas, Chairman	November, 1996	November, 2000
Marianne Marshall, Vice Chair	November, 1996	November, 2000
J. H. "Pete" Cooper	November, 1996	November, 2000
David C. Howard	November, 1998	November, 2002
Floyd L. Vanzant	November, 1998	November, 2002

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 thirteen (13) 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 September 25, 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 operating, 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 "prudent person" standard is required to be used in the management of the County's investment portfolio. Authorized instruments include:

- A. The Florida Local Government Surplus Funds Trust Funds (SBA)
- B. Negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to, the following:
 - 1. Cash Management Bills
 - 2. Treasury Securities-State and Local Government Series (SLGS)
 - 3. Treasury Bills
 - 4. Treasury Notes
 - 5. Treasury Bonds
 - 6. Treasury Strips

C. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government. Such securities will include, but not be limited to, the following:

1. United States Export-Import Bank
Direct obligations or fully guaranteed
certificates of beneficial ownership
2. Farmers Home Administration Certificates of beneficial ownership
3. Federal Financing Bank Discount notes, notes, and bonds
4. Federal Housing Administration Debentures
5. General Services Administration Participation Certificates
6. Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-back bonds
GNMA-guaranteed pass-through obligations
7. United States Maritime Administration
Guaranteed Title XI financing
8. New Communities Debentures
United States government guaranteed debentures
9. United States Public Housing Notes and Bonds
United States Government guaranteed public housing notes and bonds
10. United States Department of Housing and Urban Development-Project
notes and local authority bonds

D. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States Government agencies (Federal Instrumentalities) which are non-full faith credit agencies limited to the following:

1. Federal Farm Credit Bank (FFCB)
2. Federal Home Loan Bank or its district banks (FHLB)
3. Federal National Mortgage Association (FNMA)
FNMA – guaranteed pass-through obligations
4. Federal Home Loan Mortgage Corporation (Freddie-Macs) including
~~Federal Home Loan Mortgage Corporation participation certificates~~
FHLMC – guaranteed pass through obligations
5. Student Loan Marketing Association (Sallie-Mae)
6. Tennessee Valley Authority (TVA)

E. Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks or savings associations organized under the laws of this state and/or in national banks or savings associations organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured pursuant to the Florida Security of public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service. The Money Manager shall have the responsibility for reviewing credit watch status.

F. Repurchase agreements comprised of only those investments as authorized in Sections B, C, and D.

G. Derivative securities, defined as a financial instrument the value of which depends on or is derived from the value of one or more underlying assets or index of asset values. Securities of this type which are prohibited investments include:

1. Reverse repurchase agreements.
2. Floating rate securities whose coupon floats inversely to an index or whose coupon is determined based upon more than one index.
3. Tranches of Collateralized Mortgage Obligations (CMOs) with the following characteristics: receives only the interest or principal from the underlying mortgage securities, commonly referred to as "IO's" and "PO's".
4. Securities whose future coupon may be suspended because of the movement of interest rates or an index.

Investment in these securities shall be limited to those types previously authorized herein and only be utilized if recommended by the Money Manager.

The County will not use leverage in its investment portfolio.

H. Any investment authorized or permitted by Florida Statutes or any other law of the State of Florida controlling the investment of a public funds of a County.

The Investment Policy of the County authorizes the Clerk to contract with an outside money manager for investment of County funds. The Investment Policy also requires that securities be purchased at "prevailing market rates". Investment of 100% of the County's portfolio is permitted to be in the Florida Local Government Surplus Trust Fund ("SBA").

GENERAL PURPOSE FINANCIAL STATEMENTS

Included in Appendix B are excerpts of the audited general purpose financial statements of the County as of September 30, 1999, 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 and the auditor has consented to such inclusion. The auditor has not performed any services relating to the issuance of the Series 2000 Bonds.

The Series 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The County has covenanted in the 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 2000 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 2000 Bonds, including, among other things, restrictions relating to the use of the investment of the proceeds of the Series 2000 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2000 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2000 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue. The County has covenanted in the Resolution to take all actions necessary to comply with such provisions of the Code.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2000 Bonds. Prospective purchasers of Series 2000 Bonds should be aware that the ownership of Series 2000 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2000 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2000 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2000 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2000 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, the Series 2000 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 2000 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2000 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2000 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 2000 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2000 Bonds. From time to time, legislative proposals are pending which could have an effect on both the Series 2000 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 2000 Bonds.

Original Issue Discount

The difference between the principal amount of the Series 2000 Bonds maturing on March 1 in the years 20__ through and including 20__ (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 2000 Bonds and with regard to the tax-exempt status of the interest on the Series 2000 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 2000 Bonds. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2000 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 2000 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. Bond Counsel has not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Official Statement or any other offering material related to the Series 2000 Bonds except as may be provided in a supplemental opinion of Bond Counsel to the Underwriters (upon which only the Underwriters may rely) which shall relate only to certain statements and information contained under the captions "INTRODUCTION," "PURPOSE OF THE SERIES 2000 BONDS," "DESCRIPTION OF THE SERIES 2000 BONDS," "SECURITY FOR THE SERIES 2000 BONDS," "APPLICATION OF THE GAS TAX REVENUES UNDER THE RESOLUTION," "ADDITIONAL BONDS," and "TAX EXEMPTION," or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2000 Bonds.

Certain legal matters incident to the issuance of the Series 2000 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 2000 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 2000 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 2000 Bonds. These advisors and consultants are compensated from a portion of the proceeds of the Series 2000 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 2000 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 2000 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 2000 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. Livermore, Freeman & McWilliams, P.A., Jacksonville, Florida, represents the County as Disclosure Counsel with respect to the issuance of the Series 2000 Bonds. As Disclosure Counsel, Livermore, Freeman & McWilliams, 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.

RATINGS

Standard & Poor's Ratings Services ("S&P") and Fitch IBCA, Inc. ("Fitch") will assign ratings of "___" and "___", respectively, to the Series 2000 Bonds, with the understanding that, upon delivery of the Series 2000 Bonds, the municipal bond insurance policy will be issued by Ambac Assurance Corporation. The Series 2000 Bonds have been rated "___" by S&P and "___" by Fitch without regard to the 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 addresses: Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004, and Fitch IBCA, Inc., One State Street Plaza, New York, New York 10004. 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 2000 Bonds.

The above described ratings of Ambac Assurance Corporation insured issues are not recommendations to buy, sell or hold the Series 2000 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 2000 Bonds.

UNDERWRITING

SunTrust Equitable Securities and A.G. Edwards & Sons, Inc., the Underwriters, have agreed, to purchase the Series 2000 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 2000 Bonds. The public offering price of the Series 2000 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 2000 Bonds will be delivered by the County to the Underwriters unless all of the Series 2000 Bonds are so delivered.

CONTINUING DISCLOSURE

The County has agreed and undertaken for the benefit of the holders of the Series 2000 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 2000 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 2000 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 Appendix F 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 2000 Bonds, the security for and the repayment of Series 2000 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

APPENDIX A

GENERAL INFORMATION CONCERNING NASSAU COUNTY, FLORIDA

APPENDIX B

FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 1999

APPENDIX C

FORMS OF ORDINANCE AND BOND RESOLUTION

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT C

FORM OF GUARANTY AGREEMENT

EXHIBIT I

GUARANTY AGREEMENT

GUARANTY AGREEMENT dated as of _____, 200_ by and between _____, a public body corporate organized and existing under the laws of the State of _____ (the "Obligor"); and AMBAC ASSURANCE CORPORATION ("Ambac"), a Wisconsin domiciled stock insurance company.

WITNESSETH:

WHEREAS, the Obligor has or will issue (the "Obligations"); and

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

WHEREAS, to induce Ambac to issue the Surety Bond, the Obligor has agreed to pay the premium for such Surety Bond and to reimburse Ambac for all payments made by Ambac under the Surety Bond from Legally Available Funds, all as more fully set forth in this Agreement; and

WHEREAS, the Obligor understands that Ambac expressly requires the delivery of this Agreement as part of the consideration for the execution by Ambac 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 Obligor and Ambac agree as follows:

ARTICLE I

DEFINITIONS; SURETY BOND

Section 1.01. Definitions. Except as otherwise expressly provided herein or unless the context otherwise requires, the terms which are capitalized herein shall have the meanings specified in Annex B hereto.

Section 1.02. Surety Bond.

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

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

(c) Payments made under the Surety Bond will reduce the Surety Bond Coverage to the extent of that payment, provided that the Surety Bond Coverage shall be automatically reinstated to the extent of the reimbursement of principal by the Obligor of any payment made by Ambac. Ambac shall notify the Paying Agent in writing no later than the fifth (5th) day following the reimbursement by the Obligor that the Surety Bond has been reinstated to the extent of such reimbursement.

Section 1.03. Premium. In consideration of Ambac agreeing to issue the Surety Bond hereunder, the Obligor hereby agrees to pay or cause to be paid from Legally Available Funds the premium set forth in the Commitment.

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

ARTICLE II

REIMBURSEMENT OBLIGATIONS OF OBLIGOR AND SECURITY THEREFORE

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

(a) The Obligor will reimburse Ambac, from Legally Available Funds within the Reimbursement Period, without demand or notice by Ambac to the Obligor 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 by the Obligor at the Effective Interest Rate. The Obligor agrees that it shall make monthly level principal repayments for each Surety Bond Payment during the Reimbursement Period. Interest on each Surety Bond Payment shall be paid monthly during the Reimbursement Period. To the extent that interest payments due hereunder are not paid on a monthly basis, or are not paid as each principal repayment is made, interest shall accrue on such unpaid amounts at a rate equal to the Effective Interest Rate.

(b) The Obligor also agrees to reimburse Ambac, from Legally Available Funds, immediately and unconditionally upon demand for all reasonable expenses incurred by Ambac in connection with the Surety Bond and the enforcement by Ambac of the Obligor's obligations under this Agreement together with interest on all such expenses from and including the date which is 30 days from the date a statement for such expenses is received by the Obligor incurred to the date of payment at the rate set forth in subsection (a) of this Section 2.01.

Section 2.02. Allocation of Payments. Ambac and the Obligor hereby agree that each repayment of principal received by Ambac from or on behalf of the Obligor as a reimbursement to Ambac as required by Section 2.01(a) hereof shall be applied to reinstate all or a portion of the Surety Bond Coverage to the extent of such repayment. Any interest payable pursuant to Section 2.01(a) hereof shall not be applied to the reinstatement of any portion of the Surety Bond Coverage.

Section 2.03. Security for Payments; Instruments of Further Assurance. To the extent, but only to the extent, that the Resolution pledges to the Owners or any paying agent 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 Obligor hereby grants to Ambac a security interest in or lien on, as the case may be, and pledges to Ambac all such Collateral and Revenues as security for payment of all amounts due hereunder, 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 paying agent therefor in such Collateral and Revenues. The Obligor 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 Ambac 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 Ambac under this Section 2.03.

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

(a) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Resolution or the Obligations;

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

(c) any circumstances which might otherwise constitute a defense available to, or discharge of, the Obligor with respect to the Obligations;

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

ARTICLE III

EVENTS OF DEFAULT; REMEDIES

Section 3.01. Events of Default. The following events shall constitute Events of Default hereunder:

- (a) The Obligor shall fail to pay to Ambac 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;
- (b) Any material representation or warranty made by the Obligor hereunder or under the Resolution or any statement in the application for the Surety Bond or any report, certificate, financial statement or other instrument provided in connection with the Commitment, the Surety Bond or herewith shall have been materially false at the time when made;
- (c) Except as otherwise provided in this Section 3.01, the Obligor shall fail to perform any of its other obligations under this Agreement or hereunder, provided that such failure continues for more than thirty (30) days after receipt by the Obligor of notice of such failure to perform;
- (d) The Obligor 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, paying agent, custodian, sequestrator or similar official for the Obligor 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
- (e) 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 Obligor, 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, paying agent, custodian, sequestrator or similar official for the Obligor or for a substantial part of its property; and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for thirty (30) days.

Section 3.02. Remedies. If an Event of Default shall occur and be continuing, then Ambac 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 any related instrument and any obligation, agreement or covenant of the Obligor under this Agreement; provided, however, that Ambac 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. All rights and remedies of Ambac under this Section 3.02 are cumulative and the exercise of any one remedy does not preclude the exercise of one or more of the other available remedies.

ARTICLE IV

SETTLEMENT

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

ARTICLE V

MISCELLANEOUS

Section 5.01. Computations. All computations of premium, interest and fees hereunder shall be made on the basis of the actual number of days elapsed over a year of 360 days.

Section 5.02. Exercise of Rights. No failure or delay on the part of Ambac to exercise any right, power or privilege under this Agreement and no course of dealing between Ambac and the Obligor 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 Ambac 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 5.03. Amendment and Waiver. Any provision of this Agreement may be amended, waived, supplemented, discharged or terminated only with the prior written consent of the Obligor and Ambac. The Obligor hereby agrees that upon the written request of the Paying Agent, Ambac 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. Ambac agrees to deliver to the Obligor and to the company or companies, if any, rating the Obligations, a copy of such substituted Surety Bond.

Section 5.04. Successors and Assigns; Descriptive Headings.

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

(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 5.05. Other Sureties. If Ambac 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 Obligor to enforce this Agreement, and "Ambac," wherever used herein, shall be deemed to include such reinsuring surety, as its respective interests may appear.

Section 5.06. Signature on Bond. The Obligor'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 5.07. Waiver. The Obligor 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 Obligor's request and in reliance on the Obligor's promise to execute this Agreement.

Section 5.08. 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 either of the parties hereto or the Paying Agent may hereafter specify in writing to the others:

If to the Obligor: >

If to the Paying Agent: >

If to Ambac: **Ambac Assurance Corporation**
One State Street Plaza
17th Floor
New York, New York 10004
Attention: General Counsel

Section 5.09. 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 5.10. 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 5.11. 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 Obligor and Ambac.

Section 5.12. 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.

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.

[ISSUER]

(Seal)

Attest: _____
Title: _____

By _____
Title: _____

AMBAC ASSURANCE CORPORATION

Attest: _____
Title: _____

By _____
Title: _____

ANNEX A - SURETY BOND

EXHIBIT H

SURETY BOND

Ambac Assurance Corporation

Statutory Office:
c/o CT Corporation
44 East Mifflin Street
Madison, Wisconsin 53703

Administrative Office:
One State Street Plaza
New York, New York 10004
Telephone: (212) 668-0340

Policy No. SB __ BE

Ambac Assurance Corporation ("Ambac"), in consideration of the payment of the premium and subject to the terms of this Surety Bond, hereby unconditionally and irrevocably guarantees the full and complete payments which are to be applied to payment of principal of and interest on the Obligations (as hereinafter defined) and which are required to be made by or on behalf of the (the "Obligor") to ___ (the "Paying Agent/Trustee") as such payments are due by the Obligor but shall not be so paid pursuant to a resolution of the City Council of the Obligor authorizing the issuance of \$ _____ (the "Obligations") of said city and providing the terms and conditions for the issuance of said Obligations (the "Resolution/Indenture/Ordinance"); provided that the amount available at any particular time to be paid to the Paying Agent under the terms hereof shall not exceed the Surety Bond Coverage, defined herein as the lesser of \$ _____ or the [Debt Service Reserve Fund Requirement for the Obligations, as that term is defined in the Resolution] (the "Reserve Requirement"). The Surety Bond Coverage shall be reduced and may be reinstated from time to time as set forth herein.

1. As used herein, the term "Owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the applicable paying agent, the Obligor or any designee of the Obligor for such purpose. The term "Owner" shall not include the Obligor or any person or entity whose obligation or obligations by agreement constitute the underlying security or source of payment of the Obligations.

2. Upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac of a demand for payment in the form attached hereto as Attachment 1 (the "Demand for Payment"), duly executed by the Paying Agent certifying that payment due as required by the Resolution has not been made to the Paying Agent; or (ii) the payment date of the Obligations as specified in the Demand for Payment presented by the Paying Agent to the General Counsel of Ambac, Ambac will make a deposit of funds in an account with the Paying Agent or its successor, in [City/State] sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage.

3. Demand for Payment hereunder may be made by prepaid telecopy, telex, or telegram of the executed Demand for Payment c/o the General Counsel of Ambac. If a Demand for Payment made hereunder does not, in any instance conform to the terms and conditions of this Surety Bond, Ambac shall give notice to the Paying Agent, as promptly as reasonably practicable that such Demand for Payment was not effected in accordance with the terms and conditions of this Surety Bond and briefly state the reason(s) therefor. Upon being notified that such Demand for Payment was not effected in accordance with this Surety Bond, the Paying Agent may attempt to correct any such nonconforming Demand for Payment if, and to the extent that, the Paying Agent is entitled and able to do so.

4. The amount payable by Ambac under this Surety Bond pursuant to a Demand for Payment shall be limited to the Surety Bond Coverage. The Surety Bond Coverage shall be reduced automatically to the extent of each payment made by Ambac hereunder and will be reinstated to the extent of each reimbursement of Ambac by the Obligor pursuant to Article II of the Guaranty Agreement, dated as of the date of the Obligations, by and between Ambac and the Obligor (the "Guaranty Agreement"); provided, that in no event shall such reinstatement exceed the Surety Bond Coverage, Ambac will notify the Paying Agent, in writing within five (5) days of such reimbursement, that the Surety Bond Coverage has been reinstated to the extent of such reimbursement pursuant to the Guaranty Agreement and such

reinstatement shall be effective as of the date Ambac gives such notice. The notice to the Paying Agent will be substantially in the form attached hereto as Attachment 2. The Surety Bond Coverage shall be automatically reduced to the extent that the Reserve Requirement for the Obligations is lowered or reduced pursuant to the terms of the Resolution.

5. Any service of process on Ambac may be made to Ambac or the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, General Counsel will act as agent for the acceptance of service of process and its offices are located at One State Street Plaza, New York, New York 10004.

6. This Surety Bond is noncancelable for any reason. The term of this Surety Bond shall expire on the earlier of (i) _____ (the maturity date of the Obligations) or (ii) the date on which the Obligor, to the satisfaction of Ambac, has made all payments required to be made on the Obligations pursuant to the Resolution. The premium on this Surety Bond is not refundable for any reason, including the payment prior to maturity of the Obligations.

7. This Surety Bond shall be governed by and interpreted under the laws of the State of Wisconsin [or Minnesota, Nebraska, North Carolina, South Carolina, Utah, Vermont, Washington or Commonwealth of Pennsylvania, for financings in those states], and any suit hereunder [seeking specific performance (for Florida)] in connection with any payment may be brought only by the Paying Agent within one year [two years in Minnesota, three years in Maryland and Utah, five years in Kansas] after (i) a Demand for Payment, with respect to such payment, is made pursuant to the terms of this Surety Bond and Ambac has failed to make such payment or (ii) payment would otherwise have been due hereunder but for the failure on the part of the Paying Agent to deliver to Ambac a Demand for Payment pursuant to the terms of this Surety Bond, whichever is earlier.

8. One of the following paragraphs may apply:

ADDITIONAL PARAGRAPH FOR CALIFORNIA TRANSACTIONS:

In the event that Ambac Assurance were to become insolvent, any claims arising under the Surety Bond would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

ADDITIONAL PARAGRAPH FOR CONNECTICUT TRANSACTIONS:

In the event that Ambac were to become insolvent, any claims arising under the Surety bond would be excluded from coverage by the Connecticut Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR FLORIDA TRANSACTIONS:

The insurance provided by the Surety Bond is not covered by the Florida Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR NEW YORK TRANSACTIONS:

The insurance provided by the Surety Bond is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

FOR OKLAHOMA TRANSACTIONS — MUST USE OKLAHOMA ENDORSEMENT

IN WITNESS WHEREOF, Ambac has caused this Surety Bond to be executed and attested on its behalf
this day of , 200_ .

Ambac Assurance Corporation

Attest: _____
Assistant Secretary

By: _____
Vice President and
Assistant General Counsel

By: _____
[Countersignature Agent, if applicable]

Attachment 1

Surety Bond No. SB__BE

DEMAND FOR PAYMENT

, 200_

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Reference is made to the Surety Bond No. SB__BE (the "Surety Bond") issued by Ambac Assurance Corporation ("Ambac"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

The Trustee hereby certifies that:

(a) Payment by the Obligor to the Trustee was due on ____ [a date not less than one (1) day prior to the applicable payment date for the Obligations] under the Ordinance attached hereto as Exhibit A, in an amount equal to \$____ (the "Amount Due"). The Amount Due is payable to the Owners of the Obligations on ____.

(b) \$____ has been deposited in the ____ [fund/account] from moneys paid by the Obligor or from other funds legally available to the Trustee for payment to the Owners of the Obligations, which amount is \$____ less than the Amount Due (the "Deficiency").

(c) The Trustee has not heretofore made demand under the Surety Bond for the Amount Due or any portion thereof.

The Trustee hereby requests that payment of the Deficiency (up to but not in excess of the Surety Bond Coverage) be made by Ambac under the Surety Bond and directs that payment under the Surety Bond be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Surety Bond:

____ [Trustee's Account]
[Trustee]
By: _____
Its: _____

For New York Policies, add:

"Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

For Florida Policies, add:

"Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony of the third degree."

Attachment 2

Surety Bond No. SB BE

NOTICE OF REINSTATEMENT

, 200_

[Paying Agent]

[Address]

Reference is made to the Surety Bond No. SB BE (the "Surety Bond") issued by Ambac Assurance Corporation ("Ambac"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Surety Bond unless the context otherwise requires.

Ambac hereby delivers notice that it is in receipt of payment from the Obligor pursuant to Article II of the Guaranty Agreement and as of the date hereof the Surety Bond Coverage is \$_____, subject to a reduction as the Reserve Requirement for the Obligations is lowered or reduced pursuant to the terms of the Resolution.

AMBAC ASSURANCE CORPORATION

Attest: _____
Title:

By: _____
Title:

ANNEX B

DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, all capitalized terms shall have the meaning as set out below.

“Agreement” means this Guaranty Agreement.

“Ambac” has the same meaning as set forth in the first paragraph of this Agreement.

“Collateral and Revenues” has the same meaning as set forth in Section 2.03 hereof.

“Commitment” means the Ambac Commitment for Surety Bond in the form attached hereto as Annex C.

“Debt Service Payments” means those payments required to be made by the Obligor which will be applied to payment of principal of and interest on the Obligations.

“Effective Interest Rate” means the lesser of the Reimbursement Rate or the maximum rate of interest permitted by then applicable law; provided, however, that the Effective Interest Rate shall in no event be less than the interest rate on the Obligations.

“Event of Default” shall mean those events of default set forth in Section 3.01 of this Agreement.

“Legally Available Funds” means any moneys legally available to the Obligor for the payment of its obligations.

“Obligations” has the same meaning as set forth in the second paragraph of this Agreement.

“Obligor” has the same meaning as set forth in the first paragraph of this Agreement.

“Owners” means the registered owner of any Obligation as indicated in the books maintained by the applicable paying agent, the Obligor or any designee of the Obligor for such purpose. The term “Owner” shall not include the Obligor or any person or entity whose obligation or obligations by agreement constitute the underlying security or source of payment for the Obligations.

“Paying Agent” means _____.

~~“Reimbursement Period” means, with respect to a particular Surety Bond Payment, the period commencing on the date of such Surety Bond Payment and ending 12 months following such Surety Bond Payment.~~

“Reimbursement Rate” means Citibank’s prime rate plus two (2) percent per annum, as of the date of such Surety Bond Payment, said “prime rate” being the rate of interest announced from time to time by Citibank, New York, New York, as its prime rate. The rate of interest shall be calculated on the basis of a 360 day year.

“Resolution” means _____.

“State” means the State of _____.

“Surety Bond” means the surety bond issued by Ambac substantially in the form attached to this Agreement as Annex A.

“Surety Bond Coverage” means the amount available at any particular time to be paid to the Paying Agent under the terms of the Surety Bond, which amount shall never exceed \$ _____.

“Surety Bond Payment” means an amount equal to the Debt Service Payment less (i) that portion of the Debt Service Payment paid by the Obligor, and (ii) other funds legally available to the Paying Agent for payment to the Owners, all as certified by the Paying Agent in a demand for payment rendered pursuant to the terms of the Surety Bond.

ANNEX C
COMMITMENT

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
212.668.0340

A member of Ambac Financial Group, Inc.

COMMITMENT FOR SURETY BOND

Issuer: **NASSAU COUNTY, FLORIDA**

Commitment Number: **SB20050**

Commitment Date: August 9, 2000

Expiration Date: November 6, 2000

Bonds: \$6,012,761 Optional Gas Tax Revenue Capital Appreciation Bonds, Series 2000, dated August 1, 2000 and maturing on March 1, 2025.

Surety Amount: \$945,000*

Insurance premium: 2.80 % of the Debt Service Reserve Fund Requirement.

Ambac Assurance Corporation (Ambac) A Wisconsin Stock Insurance Company hereby commits to issue a Surety Bond (the "Commitment") relating to the Debt Service Reserve Fund for the above-described debt obligations (the "Bonds"), substantially in the form attached hereto, subject to the terms and conditions contained herein or added hereto (see conditions set forth herein).

To extend this Commitment after the expiration date set forth above, an oral (subsequently confirmed in writing) or written request for renewal must be submitted to Ambac at least one business day prior to such expiration date. Ambac reserves the right to refuse to grant a renewal or may renew this Commitment subject to additional terms and conditions.

The Surety Bond (the "Surety") shall be issued if the following conditions are satisfied:

1. Ambac shall receive an opinion of counsel or a certificate of an officer of the Issuer or ultimate obligor stating that the information supplied to Ambac in order to obtain the Surety and the documents to be executed and delivered in connection with the issuance and sale of the Bonds do not contain any untrue or misleading statement of a material fact and do not fail to state a material fact required to be stated therein or necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the Bonds, otherwise required, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof..
3. There shall be no material change in or affecting the Bonds, the Issuer or ultimate obligor (including, but not limited to, the security for the Bonds or the proposed debt service structure for the Bonds), the Official Statement, if any (or any similar disclosure document), including any financial statements therein contained, the financing documents or any legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to Ambac in order to obtain the Surety, from the descriptions or schedules thereof heretofore provided to Ambac at any time prior to the issuance of the Bonds and there shall not have occurred or come to the attention of the issuer or purchaser any material change of fact or law adverse to the interests of Ambac, unless approved by Ambac in writing.

* Subject to change, with Ambac's approval.

4. Unless expressly waived in whole or in part by Ambac, the financing documents shall contain a) the terms and provisions provided in the Ambac STANDARD PACKAGE transmitted herewith, and b) any provisions or comments given orally by Ambac.
5. Ambac will prepare, and the Issuer will execute, a Guaranty Agreement in the form (with such revisions of Ambac and the Issuer agree to) contained in the Standard Package.
6. **NO LATER THAN FIVE (5) BUSINESS DAYS PRIOR TO CLOSING**, Ambac shall be provided with:
 - a) the final debt service schedule. and
 - b) proposed copies of all financing documents, and
 - c) the proposed official statement (or any similar disclosure document); and
 - d) the proposed various legal opinions delivered in connection with the issuance and sale of the Bonds, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Ambac. The form of bond counsel's approving opinion must be acceptable to Ambac. The form of bond counsel's approving opinion shall indicate that the Issuer must comply with certain covenants under and pursuant to the Internal Revenue Code of 1986, as amended and that the Issuer has the legal power to comply with such covenants. Ambac shall also be provided with executed copies of all financing documents, including but not limited to the Official Statement (or any similar disclosure document) and the various legal opinions rendered. The executed opinion of bond counsel shall be addressed to Ambac or in lieu thereof, a letter shall be provided to Ambac to the effect that Ambac may rely on such opinion as if it were addressed to Ambac and such letter shall be delivered with an executed opinion, and
 - e) any provisions of the ~~Purchase Contract or Bond Purchase Agreement~~ referencing Ambac or the issuer of the Surety in general. If such provisions are not received in a timely manner or if provisions are inserted in the ~~Purchase Contract or Bond Purchase Agreement~~ without Ambac's knowledge, compliance with such provisions may not be possible; and
 - f) a letter from bond counsel or counsel to the purchaser or otherwise from another counsel acceptable to Ambac to the effect that the financing documents, the Official Statement (or any similar disclosure document) and the various legal opinions executed and delivered in connection with the issuance and sale of the Bonds, are substantially in the forms previously submitted to Ambac for review, with only such amendments, modifications or deletions as may be approved by Ambac; and
 - g) a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the Bonds.
7. Evidence of wire transfer of an amount equal to the payment for the Surety at the time of the issuance and delivery of the Bonds.
8. An opinion addressed to Ambac by counsel acceptable to Ambac that the Guaranty Agreement is a legal, valid and binding obligation of the Obligor thereof, enforceable in accordance with its terms.

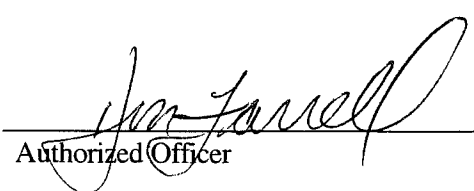

Authorized Officer

EXHIBIT D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
NASSAU COUNTY, FLORIDA
OPTIONAL GAS TAX REVENUE BONDS, SERIES 2000

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Nassau County, Florida (the "County"), in connection with the issuance of \$ _____ Nassau County, Florida, Optional Gas Tax Revenue Bonds, Series 2000 (the "Bonds"). The Bonds are being issued pursuant the laws of the State of Florida, including particularly Chapter 125, Florida Statutes, Chapter 206, Florida Statutes, and Section 336.025, Florida Statutes, and under and pursuant to Ordinance No. 86-8, enacted by the governing body of the County on February 14, 1986, as amended and supplemented, Ordinance No. 87-29, enacted on March 17, 1987, as amended and supplemented, and Resolution No. 88-28, adopted on January 12, 1988, as amended and supplemented. The County covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders of the Bonds (the "Bondholders") and in order to assist the underwriter of the 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. The County 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 the date which is six (6) months after the end of the County's fiscal year (September 30 of each year) commencing March 31, 2001:

(A) audited financial statements of the County 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 County are not completed prior to the date set forth above, of any year, the County shall provide unaudited financial statements on such date and shall provide the audited financial statements within 30 days of the completion of such audited financial statements.

(B) additional financial information and operating data of the type included with respect to the County in the final official statement prepared in connection with the sale and issuance of the Bonds (the "Official Statement"), including:

1. Historical Gasoline Sales in the County.
2. Gas Tax Receipts; and
3. Coverage of Maximum Annual Debt Service.

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 County shall provide to the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB"), and to the SIDs, if any, on a timely basis, notice of any of the following events, if such event is material with respect to the Bonds or the County's ability to satisfy its payment obligations with respect to the Bonds:

- (A) Principal and interest payment delinquencies;
 - (B) Nonpayment related defaults under the Resolution;
 - (C) Unscheduled draws on the debt service reserve fund, if any, 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 Bonds;
 - (G) Modifications to rights of Bondholders;
 - (H) Calls on the Bonds (other than scheduled mandatory redemptions) or any acceleration of the maturity thereof;
 - (I) Defeasance of the Bonds;
 - (J) Release, substitution, or sale of property securing repayment of the Bonds; and
-
- (K) Ratings changes.

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

SECTION 4. NRMSIRs. The NRMSIRs to which the County 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) Interactive Data
Attn: Repository
100 Williams Street
New York, New York 10038
Phone: 212/771-6899
Fax: 212/771-7390
Email: nrmsir@interactivedata.com

(C) Standard & Poor's J. J. Kenny Repository
55 Water Street, 45th Floor
New York, New York 10041
Phone: 212/438-4595
Fax: 212/438-3975
Email: nrmsir_repository@sandp.com

(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, failure of the County to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including pursuing an action for mandamus or specific performance, as applicable, by court order, to cause the County to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "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 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Bond or 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 County 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 County shall clearly identify each documents incorporated by reference.

SECTION 7. DISSEMINATION AGENTS. The County 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 County's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the 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 provisions of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any other provision may be waived, if such amendment or waiver is supported by an opinion of counsel who is experienced 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. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communications, 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, the County 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. Persons, other than the County, can become an Obligated Person (as defined in the Rule) relating to the Bonds. The County shall use its best efforts to require all such Obligated Persons to comply with all provisions of the Rule applicable to such Obligated Persons. Currently, there are no Obligated Persons other than the County.

NASSAU COUNTY, FLORIDA

By: _____
Nick B. Deonas
Chairman, Board of County
Commissioners

By: _____
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

September __, 2000