

EXECUTION COPY

NASSAU COUNTY, FLORIDA

**RESTATED SPECIAL ASSESSMENT BOND,
SERIES 2004 RESOLUTION**

ADOPTED MAY 24, 2004

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RESOLUTION NO. 2004-79

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AMENDING AND RESTATING IN ITS ENTIRETY ITS RESOLUTION ADOPTED DECEMBER 22, 2003 WITH RESPECT TO THE COUNTY'S SPECIAL ASSESSMENT BONDS, SERIES 2004; AND PROVIDING AN EFFECTIVE DATE.

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

2003-170

Section 1. Resolution No. __ of the Board of County Commissioners of Nassau County, Florida, adopted December 22, 2003, is hereby amended and restated in its entirety to read as follows:

"A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE BY THE COUNTY OF \$6,487,372.17 IN AGGREGATE PRINCIPAL AMOUNT OF ITS NASSAU COUNTY, FLORIDA SPECIAL ASSESSMENT BOND, SERIES 2004, IN ORDER TO FINANCE THE COST OF THE ACQUISITION AND CONSTRUCTION OF ROAD AND ANCILLARY IMPROVEMENTS WITHIN THE BOUNDARIES OF THE AMELIA CONCOURSE ASSESSMENT AREA WITHIN THE COUNTY; PLEDGING THE MONEYS RECEIVED BY THE COUNTY FROM SPECIAL ASSESSMENTS UPON PROPERTY WITHIN CERTAIN SAID ASSESSMENT AREA BENEFITTED BY THE AFOREMENTIONED IMPROVEMENTS TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BOND; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BOND; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

ARTICLE I

GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 125, Florida Statutes, the Assessment Ordinance, and other applicable provisions of law.

"Act of Bankruptcy" shall mean (1) the Issuer shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (2) the Issuer shall institute any

proceedings seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy or insolvency, (3) there shall be appointed a receiver, liquidator or similar official for the Issuer under any law relating to bankruptcy or insolvency, or (4) without the application, approval or consent of the Issuer, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Issuer, or a proceeding described in (2) above shall be instituted against the Issuer, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) consecutive days. The mere declaration of a state of financial emergency under Section 218.503, Florida Statutes, shall not, in and of itself, constitute an Act of Bankruptcy.

"Annual Debt Service" shall mean, at any time, the aggregate amount in a Fiscal Year of (i) interest required to be paid on the Outstanding Bonds during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Payment Account made from Bond proceeds, and (ii) principal on the Bonds coming due in such Fiscal Year.

"Assessment Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Assessment Area" shall mean the 2004 Assessment Area.

"Assessment Ordinance" shall mean Ordinance No. 2000-37 of the Issuer, enacted on September 25, 2000, as the same may be amended and supplemented.

"Assessment Resolutions" shall mean County Resolution Nos. 2003-109 and 2003-141, creating the Assessment Area and imposing the assessments within such Assessment Area.

"Assessments" shall mean, collectively, the 2004 Assessments.

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

(1) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, and (D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively, the "United States Obligations").

(2) Federal Housing Administration debentures.

(3) Obligations of the following government-sponsored agencies which are not backed by the full faith and credit of the U.S. government:

- Federal Home Loan Mortgage Corporation (FHLMC)

- Participation certificates
- Debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks) Consolidated debt obligations Letter of credit (LOC)-backed issues
- Federal National Mortgage Association (FNMA) Senior debt obligations Mortgage-backed securities (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
- Student Loan Marketing Association (SLMA) Senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO) Debt obligations
- Resolution Funding Corporation (REFCORP) Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

(7) Money market funds rated "AAm" or "AAm-G" by S&P, or better.

(8) "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(9) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

A. The municipal obligations are (i) not subject to redemption prior to maturity, or (ii) the escrow agent therefor has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted or agreed not to redeem such municipal obligations other than as set forth in such instructions;

B. The municipal obligations are secured by cash or United States Obligations which may be applied only to payment of the principal of, redemption premium, if any, and interest on such municipal obligations;

C. The principal of and interest on the United States Obligations (plus any cash in the escrow) has been verified by a report of an independent certified public accountant to be sufficient to pay in full all principal of, redemption premium, if any, and interest due and to become due on the municipal obligations ("Verification");

D. The cash or United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. No substitution of a United States Obligation shall be permitted except with another United States Obligation and cash and upon delivery of a new Verification; and

F. The cash or United States Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(10) Repurchase agreements:

A. With any domestic bank with debt rated "AA" or better by S&P, or any foreign bank rated at least "AA" by S&P and "Aa" by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least "AA" by S&P and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC), provided that:

i. The market value of the collateral is maintained for United States Treasury Obligations at the levels shown below under "Collateral Levels for United States Treasury Obligations";

ii. Failure to maintain the requisite collateral percentage will require the holder of such collateral to liquidate it;

iii. The Issuer or an independent third party acting solely as agent for the Issuer has possession of the collateral or that the collateral has been transferred to the Issuer or such third party in accordance with applicable state and federal laws (other than by means of entries on the Repo entity's books);

iv. The repurchase agreement shall state, and an opinion of counsel shall be rendered, that the Issuer or such third party has a perfected first priority security

interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Issuer or such third party is in possession);

- v. The collateral is free and clear of any third-party liens or claims;
- vi. An opinion is rendered that the repo is a "repurchase agreement" as defined in the United States Bankruptcy Code;
- vii. There is or will be a written agreement governing the transaction;
- viii. The Issuer or such third party represents that it has no knowledge of any fraud involved in the repo transaction; and
- ix. The Issuer or such third party receives the opinion of counsel (which opinion shall be addressed to the Issuer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

(11) Investment Agreements with (A) a domestic bank the long-term debt of which is rated at least "AA" by S&P and "Aa" by Moody's; or (B) a foreign bank the long-term debt of which is rated "AAA" by S&P and at least "Aa" by Moody's, or at least "AA" by S&P and "Aaa" by Moody's; provided, that, by the terms of the Agreement:

A. Interest payments are to be made to the Issuer at times and in amounts as necessary to pay debt service (or, if the agreement is for the construction fund, construction draws) on the Bonds;

B. The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); the Issuer agrees that the Issuer shall give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. The investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

D. A fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under this Resolution;

E. The term of the agreement does not exceed ten years;

F. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer) to the effect that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms;

G. The investment agreement must provide that if during its term

(i) the provider's rating by either Moody's or S&P falls below "A", the provider must, at the direction of the Issuer, within ten days of receipt of such direction, either (a) collateralize the investment agreement by delivering or

transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer or a third party acting solely as agent for the Issuer United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (b) repay the principal of and accrued but unpaid interest on the investment (the choice of (a) or (b) above shall be that of the Issuer), and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "BBB+" or "Baa-1," respectively, the provider must, at the direction of the Issuer, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer;

H. The investment agreement shall state and an opinion of counsel shall be rendered that the Issuer or third party has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Issuer or third party is in possession); and

I. The investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer.

(12) Such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

(13) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes.

Collateral Levels for United States Treasury obligations

	<u>Remaining Maturity</u>				
	<u>1 year or less</u>	<u>5 years or less</u>	<u>10 years or less</u>	<u>15 years or less</u>	<u>30 years or less</u>
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

Valuation Requirements: For purposes of valuing collateral described in paragraphs (10) and (11) of the definition of "Authorized Investments"

(1) On each valuation date the market value (exclusive of accrued interest) of the collateral will be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations; and

(3) The Issuer agrees to terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterpart in federal funds against transfer of the collateral, liquidate the collateral.

"Authorized Issuer Officer" shall mean the Chairman of the Board of County Commissioners of the Issuer, or his designee, and when used in reference to any act or document also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

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

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A., or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bond" or **"Bonds"** shall mean the Series 2004 Bonds.

"Business Day" shall mean any day other than (1) a Saturday or Sunday or a legal holiday on which banking institutions in the Issuer are located are required or authorized by law to remain closed or (2) a day on which the New York Stock Exchange is closed.

"Chairman" shall mean the Chairman of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Clerk" shall mean the Clerk of the Circuit Court and Ex-officio Clerk of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations, procedures and rules thereunder in effect or proposed.

"Collection Costs" shall mean all costs and expenses for collection of the Assessments which shall be billed by the Issuer as part of the Assessments, or installments thereof, or which may be billed separately from the Assessments.

"Construction Fund" shall mean the Nassau County, Florida Special Assessment Bonds, Series 2004 Construction Fund established pursuant to Section 4.03 hereof.

"Cost" or "Costs," as the same relates to the 2004 Project, to the extent permitted by the Act, shall mean (1) the cost of physical construction, reconstruction or completion, (2) the cost of acquisition or purchase, (3) the cost of all labor, materials, machinery and equipment, (4) the cost of land and interests therein, property rights, easements and franchises of any nature whatsoever, (5) the cost of any indemnity or surety bonds and premiums for insurance during construction, (6) all interest due to be paid on the Bonds and other obligations relating to the 2004 Project during the period of construction and for such period of time subsequent to completion of acquisition and construction as the Board deems appropriate, (7) engineering, financial, legal and other consultant fees and expenses, (8) the cost of plans and specifications, construction plans, surveys and estimates of costs, (9) costs and expenses of audits, (10) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness incurred for any portion of the 2004 Project, (11) costs and expenses related to the issuance of the Bonds or other indebtedness related to the 2004 Project, (12) costs related to the levy and collection of the Assessments, and (13) any other costs and expenses properly attributable to acquisition or construction of the 2004 Project, and such other expenses as may be necessary or incidental to the issuance of the Bonds; and shall include reimbursement to the Issuer or any other Person, for any moneys advanced for any costs incurred by the Issuer or such Person, in connection with any such items of cost. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Debt Service Fund" shall mean the Nassau County, Florida Special Assessment Bonds, Series 2004 Debt Service Fund established pursuant to Section 4.04 hereof.

"Defeasance Obligations" shall mean (1) cash, (2) direct, noncallable obligations of the United States of America ("Government Obligations"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Government Obligations held by a bank or trust company or custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (4) pre-refunded municipal obligations as described in paragraph (9) of the definition of "Authorized Investments."

"Delinquent Assessments" shall mean any and all installments of any Assessments which are not paid when due.

"Determination of Taxability" shall mean the circumstance of interest paid or payable on the Bonds becoming includable for federal income tax purposes in the gross income of the Bondholders as a consequence of any act, omission or event whatsoever and regardless of whether the same was within or beyond the control of the Issuer, including (a) the receipt by the Issuer or a Bondholder of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other official notice from the Internal Revenue Service which holds that any interest payable on its Bond is includable in the gross income of such Bondholder; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on such Bond is includable in the gross income of the Bondholder; or (c) receipt by the Issuer or a Bondholder of an opinion of Bond Counsel that any interest on the Bond has become includable in the gross income of the Bondholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on a Bond is deemed includable in the gross income of a Bondholder. A Determination of Taxability shall not occur solely because such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum income tax imposed on corporations or interest on the Bonds is treated as an indirect tax preference item under the Code.

"Event of Default" shall mean any Event of Default specified in Section 6.01 of this Resolution.

"Expense Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Issuer" shall mean Nassau County, Florida.

"Maximum Annual Debt Service" shall mean the largest aggregate amount in any Fiscal Year, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed, of the Annual Debt Service.

"Moody's" shall mean Moody's Investors Service, and any assigns or successors thereto.

"Outstanding," when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost, stolen, mutilated or destroyed Bonds under Section 2.04 hereof, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Section 2.05 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds canceled after purchase by the Issuer in the open market or because of payment at or redemption prior to maturity.

"Payment Account" shall mean the separate account of the Debt Service Fund established pursuant to Section 4.04 hereof.

"Payment Date" shall mean the dates for payment of principal and/or interest on the Bonds as provided in Section 2.01 hereof.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Revenues" shall mean (1) the Special Assessment Proceeds, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts (other than the Rebate Account) established hereunder.

"Prepayments" shall mean any Assessments, or portions thereof, which shall be paid to the Issuer prior to the time the same becomes due.

"Rebate Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Redemption Account" shall mean the separate account of the Debt Service Fund established pursuant to Section 4.04 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution, plus accrued interest through the date of payment.

"Reserve Account" shall mean the separate account of the Debt Service Fund established pursuant to Section 4.04 hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation, an amount equal to the least of (i) the Maximum Annual Debt Service for the Bonds, (ii) 125% of the average Annual Debt Service for the Bonds, or (iii) 10% of the principal amount of the Bonds.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Series 2004 Bonds" shall mean the Issuer's Special Assessment Bonds, Series 2004, issued pursuant to the Resolution.

"Special Assessment Proceeds" shall mean the proceeds of the Assessments lawfully collected and received by the Issuer in the Assessment Area, including the interest and penalties on such Assessments. Special Assessment Proceeds shall include moneys lawfully received by the Issuer on account of collection of Delinquent Assessments and Prepayments. Special Assessment Proceeds shall also include proceeds of any re-assessment pursuant to Section 5.06 hereof and any other amounts made available by the Issuer, in its sole discretion, pursuant to Section 5.07 hereof.

"S&P" shall mean the Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01 or 7.02 hereof.

"2004 Assessments" shall mean the special assessments lawfully levied by the Issuer in accordance with the Assessment Ordinance against properties in the 2004 Assessment Area specially benefitted by the acquisition and construction of the 2004 Project.

"2004 Assessment Area" shall mean the Amelia Concourse Assessment Area established by the Issuer pursuant to the Assessment Resolutions.

"2004 Project" shall mean certain road and ancillary improvements to be made within the Assessment Area of the Issuer, all as more particularly set forth in the plans and specifications on file or to be on file with the Issuer, as the same may be modified or amended from time to time. A general description of the 2004 Project is provided in Exhibit A attached hereto.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term and "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds, and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The Issuer has infrastructure needs and requirements in the form of the 2004 Project which must be acquired and constructed in order to maintain and protect the health and welfare of the citizens of the Assessment Area of the Issuer.

(B) The most efficient and fairest method of financing the acquisition and construction of the 2004 Project is by the issuance of Bonds secured by the Pledged Revenues including, in particular, the Special Assessment Proceeds as provided herein.

(C) The principal of, Redemption Price, if applicable, and interest on the Bonds shall be paid from the Pledged Revenues. The Issuer shall never be required to use any ad valorem taxes for the payment of the Bonds. The Bonds shall not constitute a direct obligation of the Issuer or a pledge of its faith and credit, nor shall the Bondholders have any lien or encumbrance on any property in the Issuer, including the 2004 Project, other than the Pledged Revenues.

(D) Due to the present volatility of the market for tax-exempt obligations such as the Bonds and the complexity of the transactions relating to such Bonds, it is in the best interest of the Issuer to sell the Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time and conditions, thereby permitting the Issuer to obtain the best possible price and interest rate for the Bonds. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Bonds. A copy of the disclosure statement provided by the Bondholder of the Bonds containing the aforementioned information is attached to the commitment referred to below.

(E) The Issuer has received a commitment to purchase the Bonds from SunTrust Bank (the "Bondholder"), as set forth in Exhibit B attached hereto. The Issuer does hereby find and determine that it is in the best financial interest of the Issuer that such commitment be accepted.

SECTION 1.05. AUTHORIZATION OF 2004 PROJECT. The Issuer hereby authorizes the acquisition and construction of the 2004 Project.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION AND DESCRIPTION OF BONDS. This Resolution creates an issue of bonds of the Issuer to be designated as "Nassau County, Florida, Special Assessment Bonds, Series 2004," issued in the aggregate principal amount of \$6,487,372.17. The Bonds are issued for the principal purposes of acquiring and constructing the 2004 Project, capitalizing interest on the Bonds and paying certain costs of issuance incurred with respect to the Bonds.

The Bonds shall be in the form of one registered Series 2004 Bond in the principal amount, in fully registered form, to be dated, maturing and bearing interest as set forth in the form of the Series 2004 Bonds set forth herein. The Series 2004 Bonds shall be issued in a denomination equal to the outstanding principal amount thereof, unless otherwise approved by the Issuer. The Bonds shall be payable as to interest and principal by check or draft of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners, mailed to the owner of record thereof, as such owner shall appear on the registration books of the Issuer on the 15th day of the month prior to such Payment Date. The final payment of principal of and interest on the Bonds shall be payable at the office of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners, upon presentation and surrender of such Bonds on the maturity date thereof, or if such maturity date is a Saturday, Sunday or holiday, on the next succeeding business day. Notwithstanding the foregoing, as long as one person or entity is the owner of the Series 2004 Bonds, all payments of principal of and interest thereon, including the final such payment, shall be made by wire transfer to the account specified by the owner in writing to the Clerk. If a payment date for the Bonds is not a business day, such payment date shall be the next succeeding business day; provided, that interest accrue to the date of payment. Principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the date of payment, are legal tender for the payment of public and private debts.

SECTION 2.02. APPLICATION OF BOND PROCEEDS.

The proceeds derived from the sale of the Series 2004 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2004 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

- (i) An amount of the Bond proceeds equal to \$53,000.00 shall be applied to the payment of costs and expenses relating to the issuance of the Series 2004 Bonds to the extent such costs and expenses shall not be paid from the Construction Fund.
- (ii) An amount of the Bond proceeds equal to \$97,634.95 shall be deposited into the Interest Account as capitalized interest and held for the payment of interest on the Series 2004 Bonds on October 1, 2004.
- (iii) An amount of the Bond proceeds equal to \$648,737.22 shall be deposited into the Reserve Account established hereunder, to be held for the benefit of the owners of the Bonds.

(iv) The balance of the Series 2004 Bond proceeds shall be deposited in the Construction Fund.

SECTION 2.03. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the Clerk and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.04. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer proof of his ownership thereof and indemnity satisfactory to the Issuer, and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Clerk. If any of the Bonds shall have matured or been called for redemption or be about to mature or be called for redemption, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.04 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Revenues to the same extent as all other Bonds issued hereunder.

SECTION 2.05. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Clerk with a written instrument of transfer satisfactory to the Clerk, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration of transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Clerk, books for the registration of transfer of the Bonds.

The transfer of any Bond shall be registered only upon the books of the Issuer, at the office of the Clerk, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Clerk duly executed by the Holder or his duly authorized attorney with signature guaranteed. Upon the registration of transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered, the Issuer shall execute and authenticate and deliver such Bonds in accordance with the provisions of this Resolution. For every such exchange or registration of transfer, the Issuer may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge (in all cases, imposed by a governmental body other than the Issuer) required to be paid with respect to such exchange or registration of transfer. The Issuer shall not be obligated to make any such exchange or registration of transfer of Bonds during the fifteen (15) days next preceding a Payment Date on the Bonds, or, in the case of any proposed redemption of Bonds, then, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and, in the case of the Bonds called for redemption, continuing until such redemption date.

SECTION 2.06. ADJUSTMENTS TO INTEREST RATE.

(a) The interest rate on the Bonds shall be subject to adjustment as described in this Section. Any adjustments shall be payable only after the Bondholder or its assigns has provided the Issuer written notice of such adjustments, but the adjustments required shall relate back to the period from which the cause for the adjustment occurred..

(b) Subject to the provisions of Section 2.06(a) above, the interest rate on the Bonds shall be adjusted as follows:

(1) Reserved.

(2) Reserved.

(3) Loss of Federal Income Tax Deduction for State Income Taxes. If the federal income tax deduction for state income taxes paid on the interest payments received under the Bonds during any period is reduced because of any change in the tax laws or regulations, then the interest rate on the Bonds otherwise applicable will be increased during such period by an amount equal to $A \times B \times C \times D$ where:

(a) A equals the fraction (expressed as a decimal) of the total state income tax disallowed as a result of such tax law change;

(b) B equals the rate of the applicable state income tax (expressed as a decimal);

(c) C equals the maximum federal corporate tax rate then in effect for the Bondholder (expressed as a decimal); and

(d) D equals the interest rate on the Bonds otherwise applicable (expressed as a percentage).

(4) Other Changes in Tax Laws. If the tax laws or regulations are amended to cause the interest on the Bonds to become taxable to the extent not otherwise taxable on the date of issuance thereof, to be subject to a minimum tax or an alternative minimum tax or to otherwise decrease the after tax yield on the Bonds to the Bondholder (directly or indirectly, including, without limitation, an increase in the maximum corporate tax rate, other than a change described in (3) above) or in the event of a Determination of Taxability, then the interest rate on the Bonds shall be adjusted to cause the after tax yield on the Bonds, after payment of any increase in tax, to equal what the after tax yield on the Bonds would have been in the absence of such change or amendment in the tax laws or regulations.

(c) The above adjustments shall be cumulative, but in no event shall the interest rate on the Bonds exceed the maximum rate permitted by law. The above adjustments to the interest rate on the Bonds shall be effective on the effective date of the applicable change in the tax laws or regulations or the occurrence of the relevant event, provided such adjustment shall not become payable until after notice has been given pursuant to Section 2.06 (a) hereof. Interest on the Bonds and all other tax rates and interest rates are expressed as annual rates. However, proper partial adjustment shall be made if the tax law change is effective after the first day of the Bondholder's tax year or if interest on the Bonds does not accrue for the entire tax year of the Bondholder. Adjustments which create a circular calculation because the interest rate on the Bonds is affected by the calculation shall be carried out sequentially, increasing the interest rate on the Bonds accordingly in each successive calculation until the change on the interest rate on the Bonds caused by the next successive calculation of the adjustment is de minimis. If more than one of the paragraphs numbered (1) through (4) above apply, then the interest rate on the Bonds shall be adjusted in the order in which listed above.

(d) To the extent an adjustment to the interest rate on the Bonds is not effected within three (3) months of the event giving rise to the adjustment, the additional interest due as a result of such adjustment shall be paid with interest thereon compounded monthly at the rate which is equal to the interest rate on the Bonds. All unpaid amounts determined to be owing as a result of such calculation shall be due and payable within ten (10) days after delivery of notice of the amount of such adjustment, and shall be paid to the Bondholder of record during the period to which the adjustment relates. This obligation shall survive the payment and cancellation of the Bonds.

(e) If any adjustments made to the interest rate on the Bonds pursuant to the terms of this Section shall cause such interest rate to be in violation of the maximum interest rate provisions of Section 215.84, Florida Statutes, the Bonds shall be subject to mandatory redemption within 30 days thereof, upon notice from the Bondholder or its assigns to redeem the Bonds.

(f) Upon the occurrence of a Determination of Taxability, the interest rate on the Bonds shall be adjusted, effective the effective date of the Determination of Taxability, based on the formula set forth above. Upon the occurrence of a default pursuant to Section 6.01(A) hereof and the continuance thereof for a period of twenty (20) days, interest on the Bonds shall accrue from the date of the default at a rate equal to two percent per annum in excess of the rate otherwise applicable to the Bonds.

SECTION 2.07. FORM OF BONDS. The text of the Bonds shall be in substantially the following form with such omissions, insertions and variations, as may be necessary and/or desirable and approved by the Chairman prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

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

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

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

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

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

Interest shall be paid on each April 1 and October 1, commencing October 1, 2005, in an amount equal to the interest accrued and unpaid to such date. The interest rate on this Bond is subject to adjustment upon a Determination of Taxability (as defined in the Resolution) and certain other events affecting the tax status of the Issuer and the registered owner hereof, all as set forth in the Resolution defined below.

Both principal of and interest on this Bond are payable in lawful money of the United States of America by check or draft of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer to the owner of record as such owner shall appear in the registration books of the Issuer on the 15th day of the month prior to such payment date. The final payment of principal of and interest on the Bonds shall be payable, upon presentation, at the office

of the Clerk of the Circuit Court, ex officio Clerk of the Board of County Commissioners of the Issuer. Notwithstanding the foregoing, as long as one person or entity is the owner of this Bond, all payments of principal of and interest hereon, including the final payment thereof, shall be made by wire transfer to the account specified by the owner in writing to the Clerk. If a payment date for this Bond is not a business day, such payment date shall be the next succeeding business day; provided, that interest shall accrue to the date of payment.

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

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

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

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

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

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

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

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

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

NASSAU COUNTY, FLORIDA

(SEAL)


Chairman

ATTESTED AND COUNTERSIGNED:


Clerk

VALIDATION CERTIFICATE

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

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


Chairman

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

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

Dated: _____

Signature guaranteed:

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

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

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. NOTICE OF REDEMPTION. Except as otherwise provided herein, notice of any redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be mailed first class, postage prepaid, at least ten (10) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Clerk.

SECTION 3.02. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall (i) 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 Clerk duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Clerk shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or 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 Bonds so surrendered or, at the option of the Issuer, or (ii) be presented by the Bondholder to the Clerk and the partial redemption noted on the schedule attached thereto. Any partial redemption of a Bond shall adjust pro-rata the scheduled payments of principal on such Bond.

SECTION 3.03. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of 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 Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

SECTION 3.04. PURCHASE OF BONDS BY ISSUER. Any Bonds purchased by the Issuer shall be canceled.

SECTION 3.05. PERMITTED AND REQUIRED REDEMPTIONS.

(A) The Bonds shall be subject to optional redemption at any time, in whole or in part, and if in part in such manner as may be designated by the Issuer, upon 10 days' prior written notice by the Issuer to the Bondholders, at a price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest to the redemption date. The Issuer covenants and agrees that, in addition to any other optional redemption of Bonds it may wish to make, amounts on deposit in the Redemption Account shall be used to make such redemptions in accordance with the provisions of Section 4.05(A)(5) hereof.

(B) The Bonds shall be subject to mandatory redemption in whole, at a price equal to 100% of the principal amount thereof plus interest accrued to the redemption date, upon the occurrence of the circumstances described in Section 2.06(e) hereof.

ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable from and secured by a lien upon and pledge of the Pledged Revenues in accordance with the terms of this Resolution. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer, except from the Pledged Revenues, in the manner provided herein.

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Revenues. The Issuer does hereby irrevocably pledge the Pledged Revenues to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. The Pledged Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish a special fund to be known as the "Nassau County, Florida Special Assessment Bonds, Series 2004 Construction Fund," which shall be used only for payment of the Cost of the 2004 Project. Such fund shall be an account established with the initial Bondholder. Moneys in the Construction Fund, until applied in payment of any item of the Cost of the 2004 Project in the manner hereinafter provided, shall be held in trust by the Issuer, and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The proceeds of insurance maintained against physical loss of or damage to the 2004 Project, or the contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the Construction Fund.

The Issuer covenants that the acquisition, construction and installation of the 2004 Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Fund to pay the Cost of the 2004 Project. The Issuer shall keep records of such disbursements and payments and shall retain all such records for six (6) years from the dates of such records.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal and interest on Bonds, when due.

The date of completion of acquisition and construction of the 2004 Project shall be determined by an Authorized Issuer Officer who shall certify such fact in writing to the Board of County Commissioners. Promptly after the date of the completion of the 2004 Project, and after paying or making provisions for the payment of all unpaid items of the Cost of the 2004 Project, the Issuer shall deposit any balance of moneys remaining in the Construction Fund to the Redemption Account.

SECTION 4.04. FUND AND ACCOUNTS. The Issuer covenants and agrees to establish a special fund to be known as the "Nassau County, Florida Special Assessment Bonds, Series 2004 Debt Service Fund." The Issuer shall maintain in the Debt Service Fund six accounts: the "Assessment Account," the "Payment Account," the "Redemption Account," the "Rebate Account," the "Reserve Account" and the "Expense Account." Moneys in the aforementioned fund and accounts (other than moneys on deposit in the Rebate Account), until applied in accordance with the provisions hereof, shall be held in trust for and be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

SECTION 4.05. FLOW OF FUNDS.

(A) All Special Assessment Proceeds and any amounts separately billed to pay Collection Costs shall be deposited, as received, into the Assessment Account of the Debt Service Fund. Collection Costs may be paid directly to any Person which is due such Costs without being deposited to the Assessment Account. Within three (3) Business Days of receipt of moneys in the Assessment Account, the Issuer shall apply such moneys in the following manner and in the following order of priority:

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

(2) Payment Account. The Issuer shall deposit or credit to the Payment Account of the Debt Service Fund, from the Assessment Account, the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds due on the next two subsequent Payment Dates and the principal due or to become due on the Outstanding Bonds on the next subsequent Payment Date on which principal is due which shall be not greater than one year from the date of such deposit. Moneys in the Payment Account shall be used for payment of principal of and interest on the Bonds when the same become due and payable. In the event the Issuer shall determine that any moneys in the Payment Account shall not be required to pay the principal or interest of Bonds coming due on the otherwise corresponding Payment Date because such Bonds have been called or redeemed, the Issuer shall transfer such moneys to the Redemption Account.

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

(4) Rebate Account. The Issuer shall next deposit into the Rebate Account, from the Assessment Account, all amounts required to be deposited therein in order to make timely rebate payments to the United States government pursuant to Section 4.06 hereof.

(5) Redemption Account. The balance of any funds remaining in the Assessment Account after the deposits and payments required by Sections 4.05(A)(1) through 4.05(A)(4) hereof shall be deposited into the Redemption Account. Excess moneys on deposit in the Construction Fund shall be deposited to the Redemption Account in accordance with the provisions of Section 4.03 hereof. If, on the sixth (6th) day prior to any Payment Date, moneys in the Payment Account shall be insufficient to pay the interest on or principal of the Bonds coming due on such Payment Date, moneys in an amount equal to such insufficiency shall be transferred from the Redemption Account to the Payment Account. Except as applied above, moneys in the Redemption Account shall be used for the retirement of principal on the Bonds through redemption, subject to the provisions of Section 3.05(A) hereof.

(B) On or before the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, and interest.

SECTION 4.06. REBATE ACCOUNT. Amounts on deposit in the Rebate Account shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Assessment Account) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The Issuer agrees to undertake all actions required of it in its Certificate as to Arbitrage and Certain Other Tax Matters, dated the date of issuance of the Bonds, relating to such Bonds, as well as any successor Certificate thereto, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Account;

(B) depositing the amount determined in clause (A) above in the Rebate Account;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Account and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with "gross proceeds" of the Bonds (as defined in the Code).

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

SECTION 4.07. INVESTMENTS. The Construction Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund and the Debt Service Fund may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Assessment Account, the Rebate Account and, to the extent then on deposit therein is less than the Reserve Account Requirement, the Reserve Account shall be retained in such respective Fund or Account. Any and all income received by the

Issuer from the investment of moneys in the Expense Account, the Redemption Account and, to the extent the amount on deposit therein is in excess of the Reserve Account Requirement, the Reserve Account shall be transferred to the Assessment Account. All investments shall be valued at the market value thereof.

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

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein 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 as herein provided.

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

ARTICLE V

COVENANTS OF THE ISSUER

SECTION 5.01. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Special Assessment Proceeds and the funds and accounts established hereunder in accordance with generally accepted accounting principles, and the Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.02. ANNUAL AUDIT; ANNUAL REPORT. (A) The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statement shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to the Bondholders promptly upon completion.

(B) The Issuer shall cause an annual report to be prepared with respect to each Fiscal Year showing, with respect to such Fiscal Year, (i) the amount of Assessments imposed, (ii) the amount of Assessments collected, (iii) the amount of expenses paid, (iv) amounts drawn against the Reserve Account, if any, and (v) amounts deposited to the Redemption Account. Such calculation shall be certified as to accuracy by the County's independent auditor. In addition, the County shall supply to the Holders an annual certificate of compliance with the provisions of this Resolution.

SECTION 5.03. NO IMPAIRMENT. The pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Board without the prior written consent of the holders of all Bonds outstanding.

SECTION 5.04. FEDERAL INCOME TAX COVENANTS. The Issuer covenants with the Holders of the Bonds that it shall not use the proceeds of such Bonds in any manner which would cause the interest on such Bonds to be included in gross income for purposes of federal income taxation to the extent not otherwise included therein on the date of issuance of the Bonds.

The Issuer covenants with the Holders of the Bonds that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Bonds to be included in gross income for purposes of federal income taxation.

The Issuer hereby covenants with the Holders of Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

SECTION 5.05. ENFORCEMENT OF PAYMENT OF SPECIAL ASSESSMENT PROCEEDS. The Issuer will receive, collect and timely enforce the payment of Special Assessment

Proceeds in the manner prescribed by this Resolution, the Assessment Ordinance and all other resolutions, ordinances or laws appertaining thereunto, and will pay and deposit the proceeds of Special Assessment Proceeds, as received, into the Assessment Account. Absent a default or delinquency in the payment of any Assessment, nothing herein shall require the prepayment of any installment due on an Assessment prior to its due date, except as otherwise provided by the Assessment Ordinance. The Issuer shall not change its method of collection of the Assessments without the prior written consent of the holders of the Bonds.

SECTION 5.06. RE-ASSESSMENTS. If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Assessment when it might have done so, the Issuer shall either (A) take all necessary steps to cause a new Assessment to be made for the whole or any part of the 2004 Project or against any property benefitted by the 2004 Project, or (B) in its sole discretion, make up the amount of such Assessment from legally available moneys, which moneys shall be deposited into the Assessment Account. In case such second Assessment shall be annulled, said Issuer shall obtain and make other Assessments until a valid Assessment shall be made.

SECTION 5.07. OTHER MONEYS. The Issuer may, in its sole discretion, utilize other legally available moneys, in addition to the Pledged Revenues, to pay the principal of and interest on the Bonds.

SECTION 5.08. COMPLIANCE WITH LAWS. The Issuer covenants to comply with all laws relating to: (a) the Assessments and the collection thereof and (b) the construction of the 2004 Project.

SECTION 5.09. ADDITIONAL OBLIGATIONS. The Issuer will not issue any additional debt or obligation secured by a pledge of the Pledged Revenues without the prior written consent of the Bondholders.

SECTION 5.10. NOTIFICATION OF PROGRESS. The Issuer shall notify the Bondholders in a timely manner with respect to any public meetings or private meetings in respect of the progress of construction of the 2004 Project, and shall permit the Bondholders to attend any such meetings, in person or by their agents.

SECTION 5.11. LIMITATION OF LIABILITY. No inspection or review by the Bondholders or their agent of the 2004 Project, or of the proceedings in respect of the Assessments or the subject financing, shall impose any liability upon the Bondholders or give rise to any claim, defense, set-off or counterclaim of any kind or nature.

SECTION 5.12. WAIVER OF JURY TRIAL. THE ISSUER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION WITH THE HOLDERS OF THE BONDS ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS RESOLUTION AND ALL OTHER AGREEMENTS EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION OF THE ISSUER, WHETHER IN CONNECTION WITH THE ISSUANCE OF THE BONDS, COLLECTION OF THE ASSESSMENTS, OR OTHERWISE.

THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE HOLDER PURCHASING THE BONDS.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of, redemption premium, if any, or interest on any Bond, when due.

(B) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, and provided that no such grace period shall exceed sixty (60) days, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

(C) An Act of Bankruptcy shall have occurred with respect to the Issuer.

Notice of any default by the Issuer hereunder shall be given promptly to the Bondholders.

SECTION 6.02. REMEDIES. Whenever any Default referred to in Section 6.01 hereof shall have happened and be continuing, the Bondholder or its assigns, may take one or any combination of the following remedial steps:

(a) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts and data of the Issuer during regular business hours; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Issuer under this Resolution or to enforce the lien granted hereunder on the Pledged Revenues.

SECTION 6.03. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If any remedial action is discontinued or abandoned, the Bondholders shall be restored to their former position.

SECTION 6.04. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article VI to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(B) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(C) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(D) To achieve compliance with any applicable federal securities law or with the Code and applicable regulations thereunder.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' CONSENT. Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution other than in this Section 7.02 to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Revenues other than the lien and pledge created by this Resolution or any other lien or pledge permitted by the terms of this Resolution which materially adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such

notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. DEFEASANCE. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Revenues, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Defeasance Obligations, which in either case shall be verified by an independent certified public accountant to be in such amount that the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (C) the Issuer shall receive an opinion of Bond Counsel to the effect that refunded Bonds are defeased in accordance with this Section 8.01 and, therefore, are no longer Outstanding under this Resolution. Except as hereafter provided, neither the Defeasance Obligations nor any moneys so deposited with such banking institution or trust company nor any moneys received by such banking institution or trust company on account of principal of or Redemption Price, if applicable, or interest on said Defeasance Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Defeasance Obligations and moneys for the deposited Defeasance Obligations and moneys if the new Defeasance Obligations and moneys are verified by an independent certified public accountant as being sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Defeasance Obligations has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 8.02. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 8.03. VALIDATION AUTHORIZED. To the extent deemed necessary or desirable by Bond Counsel, Bond Counsel is authorized to institute appropriate proceedings for validation of the Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 8.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.05. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

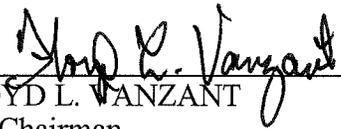
SECTION 8.06. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption."

Section 2. This Amended and Restated Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of County Commissioners of Nassau County, Florida this 24th day of May, 2004.

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

(SEAL)



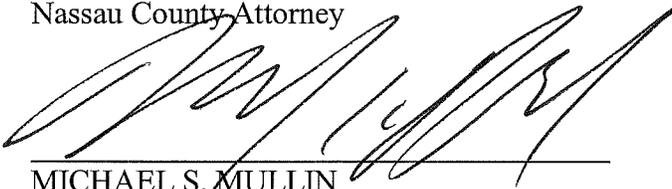
FLOYD L. VANZANT
Its: Chairman

ATTEST:



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

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

EXHIBIT A

DESCRIPTION OF 2004 PROJECT

The 2004 Project consists of the acquisition and construction of certain road and ancillary improvements within the boundaries of the Assessment Area, as more specifically described in the resolutions imposing the Assessments in such Assessment Area.

EXHIBIT B

BANK COMMITMENT

**PROPOSAL TO SERVE AS
TERM LOAN PROVIDER**

for the

**NASSAU COUNTY, FLORIDA - AMELIA
CONCOURSE ASSESSMENT AREA MUNICIPAL
SERVICES BENEFIT UNIT**

*In response to the Request for Proposal for up to a \$7,500,000.00 Bank Qualified Tax-Exempt
or Non Bank Qualified Tax-Exempt Fixed Rate Term Loan to finance construction of a road.*

May 6, 2004

**SunTrust Bank
200 West Forsyth Street
Jacksonville, Florida 32202**

**Mr. Bruce L. Barefoot
Senior Vice President
(904) 632-2561 (Office)
(904) 632-2874 (Fax)
bruce.barefoot@suntrust.com (E-mail)**

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

***Response to Request For Proposal for Bank Loan to provide financing to
Amelia Concourse Assessment Area to facilitate construction of roadway.***

Dated May 5, 2004

1. Borrower

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

2. Lender

SunTrust Bank

3. Amount

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

4. Purpose

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

5. Security

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

One Year Debt Service Reserve.

6. Terms

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

coming in April 2005

7. Interest Rate - At Borrower's Option:

Interest rates are shown below for a Bank Qualified Tax Exempt Loan and a Non Bank Qualified Tax Exempt Loan. Option A reflects interest rates with a "make-whole" provision and Option B reflects interest rates with full prepayment privileges.

A. Interest Rates with "Make-Whole" Provision Option:

A1. Bank Qualified Tax-Exempt Fixed Rate of 3.63 % p.a. *

Pricing Formula: 66% of 7-Year "H.15- Swap Rate" Index plus 63 bps, p.a. **

A2. Non Bank Qualified Tax Exempt Fixed Rate of 4.23%, p.a. *

Pricing Formula: 66% of 7-year "H.15-Swap Rate" Index plus 122 bps, p.a. **

B. Interest Rates with Full Prepayment Privileges Option:

B1. Bank Qualified Tax Exempt Fixed Rate of 3.69%, p.a. *

Pricing Formula: 66% of 7-year "H.15-Swap Rate" Index plus 68 bps, p.a. **

B2. Non Bank Qualified Tax Exempt Fixed Rate of 4.3%, p.a. *

Pricing Formula: 66% of 7-year "H.15-Swap Rate" Index plus 129 bps, p.a. **

*** Rates are firm through June 4, 2004**

**** "H.15-Swap Rate" shall mean the rate for the Loan Pricing Date will be the rate for U.S. Dollar interest rate swaps with a maturity of seven years, expressed as a percentage, as reported by the Federal Reserve System Board of Governors in the H.15 Federal Reserve Statistical Release under the caption "interest rate swaps" as of three business days prior to the loan pricing date. If such rate does not appear in H.15 "interest rate swaps", the rate will be the rate for a period of the maturity, or next pricing date, if applicable, as may be published by either the Federal Reserve System Board of Governors or the United States Department of Treasury that SunTrust Banks determines to be comparable to the rate which would otherwise have been published in H.15.**

5. Interest Repayment

Annual interest payments to commence not later than December 1, 2005 through

maturity. Interest shall be payable on an actual/365 day basis.

8. Principal Prepayment

A. Early prepayment under the Interest Rate Option A shall be subject the following "Make Whole Provision" prepayment penalty formula:

The Make Whole Provision is equal to the interest that would have been payable to Bank on the amount of the principal prepayment from the date of such prepayment through the end of the borrowing period, less interest that would accrue on a U.S. Treasury instrument in the amount of such prepayment and with the same maturity date as the applicable borrowing period.

B. Full prepayment privileges without penalty shall apply to Interest Rate Option B.

9. Fees

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

10. Acceptance Date

This proposal to Amelia Concourse Assessment Area MSBU shall expire on June 4, 2004.

11. Conditions

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

B) No funding shall be made under the Loan until an assessment methodology, structure, and final assessment role have been adopted by Nassau County and the MSBU that will ensure assessments are levied sufficient to provide a minimum of one to one coverage of annual debt service, maintenance costs, unfinanced capital and operational costs plus a 4.5% factor to accommodate non-payment of assessments. This condition is independent of the debt service reserve requirement.

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

D) All matters relating to this loan, including all instruments and documents required, are subject to Bank's policies and procedures in effect, applicable governmental regulations and/or statutes, and approval by Bank and Bank's counsel.

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

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

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

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

I) The Bank Qualified Interest Rates and Non Bank Qualified Tax Exempt Interest Rates quoted herein assume the obligation is either a "qualified tax-exempt obligation" or "non bank qualified tax exempt obligation", as appropriate, as defined in Section 265(b)(3) of the Internal Revenue Service Code.

J) This proposal does not constitute a commitment to lend, and is subject to Bank approval. Bank approval will be obtained within one week from the date of notification by the Borrower that the Bank has been awarded the bid.

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

L) WAIVER OF JURY TRIAL With respect to any lawsuit involving this loan, the loan documents, or any other aspect of this transaction between the Bank and the Borrower,

the exclusive venue for any action shall be the county where the Bank is located and, in any such action, each party expressly waives any right to a jury trial.

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

12. Closing Date

On or before June 4, 2004

Respectfully submitted this 5th day of May, 2004

SunTrust Bank

By: _____

*Bruce L. Barefoot
Senior Vice President
SunTrust Bank, North Florida
200 West Forsyth Street
Jacksonville, FL 32202
904/632-2561 (Office)
904/632-2874 (Fax)
bruce.barefoot@suntrust.com*