

A RESOLUTION PROVIDING FOR THE ISSUANCE BY NASSAU COUNTY, FLORIDA OF \$23,300,000 POLLUTION CONTROL REFUNDING REVENUE BONDS, SERIES 1989 (ITT RAYONIER PROJECT), TO PAY THE COST OF REFUNDING \$23,300,000 POLLUTION CONTROL REVENUE BONDS, 1974 SERIES (ITT RAYONIER PROJECT), OF THE OCEAN HIGHWAY AND PORT AUTHORITY; MAKING CERTAIN FINDINGS REGARDING THE BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE AND LOAN AGREEMENT SETTING FORTH THE TERMS OF THE BONDS; APPROVING THE BONDS PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AWARDING THE BONDS; AUTHORIZING EXECUTION OF A PURCHASE CONTRACT FOR THE BONDS; APPROVING THE USE OF AN OFFICIAL STATEMENT FOR MARKETING THE BONDS; DESIGNATING THE TRUSTEE, REGISTRAR AND PAYING AGENT FOR THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of Chapter 159, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act").

Section 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this resolution shall have the meanings specified in the Trust Indenture by and between Nassau County, Florida (the "Issuer") and Barnett Banks Trust Company, N.A., Jacksonville, Florida (the "Trustee"), dated as of June 1, 1989 (the "Indenture"), and the Loan Agreement by and between the Issuer and ITT Rayonier Incorporated (the "Company"), dated as of June 1, 1989 (the "Loan Agreement").

Section 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer is authorized and empowered by the Act to finance and refinance capital projects in the manner provided by the Act, for the purpose of fostering the economic development of Nassau County, Florida, increasing opportunities for gainful employment and otherwise aiding in improving the prosperity and welfare of the inhabitants of Nassau County and the State of Florida, and to provide such financing through the issuance of revenue bonds.

B. The Project originally financed by the Refunded Bonds was the construction and acquisition of air and water pollution control facilities which constitutes a "project" within the meaning of the Act.

C. It is desirable and will further the public purposes of the Issuer, to issue and sell the Bonds for the purpose of providing funds to finance all or a part of the cost of refunding the Refunded Bonds, all as provided in the Indenture.

D. Giving due regard to the ratio of the Company's, current assets to its current liabilities, net worth, earnings trends, coverage of all fixed charges, the nature of its business and the industry in which it is involved, its inherent stability, and all other factors determinative of the Company's capabilities, financial and otherwise, of fulfilling its obligations consistently with the purposes of the Act, the Company is financially responsible and fully capable and willing to fulfill its obligations under the Loan Agreement, including the obligation to make payments thereunder in the amounts and at the times required pursuant to the terms of the Loan Agreement and the obligation to repair and maintain the Facilities Project at its own expense.

E. The Trust Estate, as defined in the Indenture, is not now pledged or encumbered in any manner except for the payment of the principal of and interest on the Bonds.

F. The principal of and interest on the Bonds and all other payments shall be payable solely from the Trust Estate. The Issuer shall never be required to levy ad valorem taxes on any property therein to pay the principal of and interest on the Bonds or to make any of the required payments and such Bonds shall not constitute a lien upon any property of or in the Issuer other than the Trust Estate as set forth in the Indenture.

G. Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code") requires public approval of certain private activity bonds by an applicable elected representative or governmental unit following a public hearing and the Board of County Commissioners of Nassau County, Florida constitutes an applicable governmental unit.

H. Pursuant to Section 147(f) of the Code a public hearing was scheduled before the Board for May 23, 1989, and notice of such hearing was given in the form required by the Code.

I. The Board has on May 23, 1989, held the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of the Bonds, and the Board diligently and conscientiously considered all comments and concerns expressed by such individuals.

J. The Board desires to express its approval of the action to be taken as required by Section 147(f) of the Code.

K. The Company has requested that the Issuer offer to sell the Bonds at negotiated sale pursuant to the terms and conditions hereinafter set forth.

Section 4. AUTHORIZATION OF REFUNDING. There is hereby authorized refunding of the Refunded Bonds.

Section 5. APPROVAL AND AUTHORIZATION OF BONDS. Bonds of the Issuer to be known as "Pollution Control Refunding Revenue Bonds, Series 1989 (ITT Rayonier Project)" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of Twenty-Three Million Three Hundred Thousand Dollars (\$23,300,000), in the form and manner described in the Indenture. The Bonds will be dated such date and mature in such years and amounts, will contain such redemption provisions, and will bear

interest at such rates as provided in the Indenture and in the Bond Purchase Agreement herein referred to. The Bonds are hereby approved within the meaning of Section 147(f) of the Code.

Section 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF INDENTURE. As security for the payment of the principal of and premium, if any, and interest on the Bonds, pro rata and without preference of any one of the Bonds over any other thereof, the Indenture, in substantially the form attached hereto as Exhibit "A", with such changes, alterations and corrections as may be approved by the Chairman or Vice-Chairman of the Board, such approval to be conclusively established by his execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman or Vice-Chairman to execute, and the Clerk of the Board or the Deputy Clerk of the Board to attest under the seal of the Issuer, the Indenture and to deliver to the Trustee the Indenture, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Trustee duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. The Issuer does hereby provide in the Indenture the terms, conditions, covenants, rights, obligations, duties and agreements to and for the benefit of the holders of the Bonds, the Issuer, the Company and the Trustee.

Section 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF LOAN AGREEMENT. The Loan Agreement, in substantially the form attached hereto as Exhibit "B", with such changes, alterations and corrections as may be approved by the Chairman or Vice-Chairman of the Board, such approval to be conclusively established by his execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman or Vice-Chairman to execute, and the Clerk or Deputy Clerk of the Board to attest under the seal of the Issuer, the Loan Agreement and to deliver to the Company the Loan Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Company duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Section 8. NO THIRD PARTY BENEFICIARIES. Except as herein or in the Loan Agreement or the Indenture otherwise expressly provided, nothing in this instrument or in the Loan Agreement or the Indenture, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the Issuer, the Company, the holders of the Bonds and the Trustee any right, remedy or claim, legal or equitable, under and by reason of this instrument or any provision thereof. This instrument, the Indenture and the Loan Agreement are intended to be and are for the sole and exclusive benefit of the Issuer, the Company, the Registered Owners from time to time of the Bonds and the Trustee.

Section 9. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this instrument, to the issuance of the Bonds, and to the execution of the Loan Agreement and the Indenture, required by the Constitution or laws of the State of Florida to happen, exist, and be performed precedent to and in the passage hereof, and precedent to the issuance of the Bonds, and precedent to the execution and delivery of the Loan Agreement and the Indenture, have happened, exist and have been performed as so required.

Section 10. GENERAL AUTHORITY. The Board of the Issuer and its officers, attorneys, engineers or other agents or employees are hereby authorized to do all acts and things required of them by this instrument, the Loan Agreement or the Indenture, or desirable or consistent therewith, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds, the Loan Agreement, the Indenture, and this instrument.

Section 11. SALE OF BONDS AT NEGOTIATED SALE. The Issuer hereby finds, determines and declares that the Bonds shall be sold at negotiated, private sale rather than offered by competitive bid at public sale. Due to the size of the issue, the individualized nature of the financing plan and current rapidly changing bond market conditions such offer is in the best interest of the Issuer and will obtain the most favorable terms in the bond market. The negotiated sale of the Bonds is hereby authorized pursuant to Section 218.385, Florida Statutes.

Section 12. AWARD OF BONDS. The Bonds, in an aggregate principal amount of \$23,300,000, bearing interest at a rate not to exceed 8%, as shall be specified in the Bond Purchase Agreement, shall be sold to Shearson Lehman Hutton Inc. and Thornton, Parish & Gauntt (the "Underwriters") at the price of 100% of the public offering price of the Bonds issued, and the Bond Purchase Agreement, in substantially the form attached hereto as Exhibit "C", with such changes, alterations and corrections as may be approved by the Chairman and Clerk, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman and Clerk to execute under the seal of the Issuer the Bond Purchase Agreement and to deliver to the Underwriters such Bond Purchase Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Company duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Section 13. DESCRIPTION OF BONDS. The Bonds shall be dated, shall mature, shall bear interest at the rates and shall have the terms and conditions as provided in the Indenture and the Bond Purchase Agreement.

Section 14. OFFICIAL STATEMENT. The preparation and distribution of the Official Statement with respect to the Bonds a form of which is attached hereto as Exhibit D and made a part hereof, by the Underwriters is hereby ratified and confirmed, and the Chairman of the Issuer is hereby authorized to have prepared and to execute a final Official Statement and to deliver same to the Underwriters for use in connection with the sale and distribution of the Bonds. The use of the Official Statement by the Underwriters in connection with solicitation of acceptances of the Issuer's offer to sell the Bonds is hereby authorized. The use of a Preliminary Official Statement in connection with marketing of the Bonds is hereby ratified.

Section 15. TRUSTEE, REGISTRAR AND PAYING AGENT. Barnett Banks Trust Company, N.A., Jacksonville, Florida, is hereby designated Trustee, Registrar and Paying Agent for the Bonds under and pursuant to the Indenture.

Section 16. EXECUTION OF PURCHASE CONTRACT AND BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The proper officers of the Issuer are hereby authorized and directed to execute and deliver the Purchase Contract

and to execute the Bonds when prepared and to deliver the same to the Trustee for authentication and delivery to the Underwriters upon payment of the purchase price pursuant to the conditions stated in the Bond Purchase Agreement. The Chairman, Vice-Chairman, Clerk, Deputy Clerk and Attorney of the Issuer, are designated agents of the Issuer in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Bonds and which are not inconsistent with the terms and provisions of this resolution and other actions relating to the Bonds heretofore taken by the Issuer, including, without limitation, publication of notice of redemption of Refunded Bonds.

Section 17. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 18. REPEALING CLAUSE. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 19. EFFECTIVE DATE. This instrument shall take effect immediately upon its adoption.

(SEAL)

NASSAU COUNTY, FLORIDA

ATTEST:

By: [Signature]
Clerk, Board of County
Commissioners

By: [Signature]
Chairman, Board of County
Commissioners

ADOPTED: May 23, 1989

STATE OF FLORIDA
COUNTY OF NASSAU

The undersigned Clerk of the Board of County Commissioners of Nassau County, Florida, hereby certifies that the above and foregoing is a true and correct copy of a resolution as the same was duly adopted and passed at a Regular Meeting of the Issuer on May 23, 1989, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand this 23rd day of May,
1989.

By: 
Clerk