

**A RESOLUTION PROVIDING FOR THE ISSUANCE BY NASSAU COUNTY, FLORIDA OF \$34,700,000 POLLUTION CONTROL REFUNDING REVENUE BONDS, SERIES 1992 (ITT RAYONIER INCORPORATED PROJECT), TO PAY THE COST OF REFUNDING \$36,700,000 POLLUTION CONTROL REVENUE BONDS, 1974 SERIES (ITT RAYONIER PROJECT), 1976 INSTALLMENT OF THE OCEAN HIGHWAY AND PORT AUTHORITY; PROVIDING FOR THE LOAN OF THE PROCEEDS FROM THE SALE OF SUCH BONDS TO THE BORROWER TO PAY THE COST OF SUCH REFUNDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST AGREEMENT AND A LOAN AGREEMENT; APPOINTING A TRUSTEE; AWARDED THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND APPROVING THE USE OF SUCH OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF 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, hereinafter called "instrument," is adopted pursuant to the provisions of Chapter 159, Part II, Florida Statutes (the "Act"), and other applicable provisions of law.

**SECTION 2. DEFINITIONS.** Unless the context otherwise requires, the terms used in this resolution shall have the meanings specified in the Trust Indenture dated as of August 1, 1992 (the "Trust Indenture") between Nassau County, Florida (the "County") and Barnett Banks Trust Company, N.A., as Trustee, the Loan Agreement dated as of August 1, 1992 (the "Loan Agreement") between the County and the Borrower (defined herein), the Bond Purchase Agreement between the County and Lazard Freres & Co. as Underwriter (the "Purchase Agreement"), and the Preliminary Official Statement, each on file in the office of the Secretary of the County as Exhibits "A", "B", "C" and "D", respectively, and referred to herein together as the "Bond Documents".

**SECTION 3. FINDINGS.** It is hereby ascertained, determined and declared as follows:

A. The County 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 the County, increasing opportunities for gainful employment and otherwise aiding in improving the prosperity and welfare of the inhabitants of the County and the State of Florida, and to provide such financing through the issuance of revenue bonds.

B. The Ocean Highway and Port Authority previously issued its Pollution Control Revenue Bonds, 1974 Series (ITT Rayonier Project), 1976 Installment

(the "Refunded Bonds") in the principal amount of \$36,700,000 for the purpose of constructing certain air and water pollution control facilities at the mill of ITT Rayonier Incorporated in Nassau County, Florida.

C. ITT Rayonier Incorporated (the "Borrower") has requested the County to issue its Pollution Control Refunding Revenue Bonds, Series 1992 (ITT Rayonier Incorporated Project)" (the "Bonds") in an aggregate principal amount of up to \$34,700,000 for the purpose of financing the cost of refunding the Refunded Bonds as set forth in the Trust Indenture (the "Project").

D. The County, by due action, has duly authorized the execution and delivery of the Trust Indenture and the issuance thereunder of the Bonds, and the execution and delivery of a Loan Agreement dated as of August 1, 1992, wherein the proceeds of the Bonds will be loaned to the Borrower and pursuant to which the Borrower has agreed to the terms of the Trust Indenture and has committed itself to the repayment of amounts sufficient to repay the Bonds when due, upon and subject to the terms and conditions hereinafter set forth; and

E. Adequate provision is made under the provisions of the Loan Agreement for the payment of the principal of, premium, if any, and interest on the Bonds at the expense of the Borrower.

F. The principal of and premium, if any, and interest on the Bonds and all payments required under the Loan Agreement and the Trust Indenture shall be payable solely from the Trust Estate as defined in the Trust Indenture, and the County shall never be required to (i) levy ad valorem taxes on any property within its territorial limits to pay the principal of and premium, if any, and interest on the Bonds or to make any other payments provided for under the Loan Agreement and the Trust Indenture; (ii) pay the same from any funds of the County other than the Trust Estate; or (iii) require or enforce any payment or performance by the Borrower as provided by the Trust Indenture or the Loan Agreement unless the County's expenses in respect thereof shall be paid from moneys derived under the Loan Agreement or shall be advanced to the County for such purpose, and the County shall receive indemnity to its satisfaction. Such Bonds shall not constitute a lien upon any property owned by or situated within the territorial limits of the County except the Trust Estate in the manner provided in the Loan Agreement and the Trust Indenture.

G. The payments to be made by the Borrower to the Trustee under the Loan Agreement will be sufficient to pay all principal of and interest on and premium, if any, for the Bonds, as the same shall become due, and to make all other payments required by the Loan Agreement and the Trust Indenture.

H. The costs to be paid from the proceeds of the Bonds will be costs of a "project" within the meaning of the Act.

**SECTION 4. REFUNDING AUTHORIZED.** The refunding of the Refunded Bonds in the manner provided in the Trust Indenture is hereby authorized.

**SECTION 5. AUTHORIZATION OF BONDS.** Obligations of the County to be known as "Pollution Control Refunding Revenue Bonds, Series 1992 (ITT Rayonier Incorporated Project)" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of Thirty Four Million Seven Hundred Thousand Dollars (\$34,700,000), in the form and manner described in the Purchase Contract and the Trust Indenture. The Bonds shall be dated such date and mature in such years and

amounts, will contain such redemption provisions, will bear interest at such rates (not exceeding the maximum interest rate permitted by the Act or by other applicable provision of law), and will be payable on such dates, as provided in the Trust Indenture and the Purchase Agreement.

**SECTION 6. AUTHORIZATION, EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.** The Loan Agreement, in substantially the form on file in the office of the Clerk of the County as Exhibit "B", with such changes, alterations and corrections as may be recommended by counsel to the County and as may be approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk of the County, such approval to be presumed by their execution thereof, is hereby approved by the County, and the County hereby authorizes and directs said Chairman or Vice Chairman to execute and said Clerk or Deputy Clerk to attest under the seal of the County the Loan Agreement and to deliver to the Borrower the Loan Agreement, all of the provisions of which, when executed and delivered by the County as authorized herein and by the Borrower 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 7. AUTHORIZATION, EXECUTION AND DELIVERY OF THE TRUST 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 Trust Indenture, in substantially the form on file in the office of the Clerk of the County as Exhibit "A", with such changes, alterations and corrections as may be recommended by counsel to the County and as may be approved by the Chairman or Vice Chairman and Clerk or Deputy Clerk of the County, to be presumed by their execution thereof, is hereby approved by the County, and the County hereby authorizes and directs said Chairman or Vice Chairman to execute and said Clerk or Deputy Clerk to attest under the seal of the County the Trust Indenture and to deliver to the Trustee the Trust Indenture, all of the provisions of which, when executed and delivered by the County 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 County does hereby provide in the Trust Indenture the terms, conditions, covenants, rights, obligations, duties and agreements to and for the benefit of the owners of the Bonds, the County, the Borrower and the Trustee.

**SECTION 8. APPOINTMENT OF TRUSTEE AND PAYING AGENT.** Barnett Banks Trust Company, N.A is hereby appointed to serve as Trustee and Paying Agent under the Trust Indenture. Such bank shall perform the duties set forth in the Trust Indenture.

**SECTION 9. NO PERSONAL LIABILITY.** No covenant, stipulation, obligation or agreement herein contained or contained in the Bond Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, member, agent or employee of the County or its governing body in his individual capacity, and neither the officers of the County nor any official executing the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

**SECTION 10. NO THIRD PARTY BENEFICIARIES.** Except as herein or in the Bond Documents otherwise expressly provided, nothing in this instrument or in the Bond Documents, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the County, the Borrower, the owners 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 or of the Bond Documents; this instrument and the Bond Documents intended to be and being for the sole and exclusive benefit of the County, the Borrower, the owners from time to time of the Bonds and the Trustee.

**SECTION 11. PREREQUISITES PERFORMED.** All acts, conditions and things relating to the adoption of this instrument, to the issuance of the Bonds, and to the execution of the Bond Documents, required by the Constitution or laws of the State of Florida to happen, exist and be performed precedent to the adoption hereof, and precedent to the issuance of the Bonds, and to the execution and delivery of the Bond Documents, have happened, exist and have been performed as so required.

**SECTION 12. GENERAL AUTHORITY.** The members of the governing body of the County and its officers, attorneys, or other agents or employees are hereby authorized to do all acts and things required of them by this instrument and Bond Documents, or desirable or consistent with the requirements thereof, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds, the Bond Documents, and this instrument.

**SECTION 13. AUTHORIZATION, EXECUTION AND DELIVERY OF PURCHASE AGREEMENT.** The Bond Purchase Agreement (the "Purchase Agreement"), in substantially the form on file in the office of the Clerk of the County as Exhibit "D", with such changes, alterations and corrections as may be recommended by counsel to the County and as may be approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk of the County, such approval to be presumed by their execution thereof, is hereby approved by the County, and the County hereby authorizes and directs said Chairman or Vice Chairman to execute and said Clerk or Deputy Clerk to attest under the seal of the County the Purchase Agreement and to deliver to the Underwriter the Purchase Agreement, all of the provisions of which, when executed and delivered by the County as authorized herein and by the Underwriter (appointed herein) 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 14. OFFER OF SALE OF BONDS AT NEGOTIATED SALE.** It is hereby found, ascertained, determined and declared by the County that a negotiated sale of the Bonds is in the best interest of the County and is found to be necessary on the basis of the following reasons as to which specific findings are hereby made:

(1) Industrial development revenue bonds are traditionally sold on a negotiated basis and consequently a competitive sale of the Bonds would in all probability not produce better terms than a negotiated sale particularly in view of the timing of such an offering and the current instability of the bond market.

(2) The Bonds are payable solely from the proceeds of the Loan Agreement and therefore the Issuer does not have a direct interest in the terms of sale. The Borrower has expressed its unwillingness to undertake the risks and expenses attendant a public sale of the Bonds.

**SECTION 15. AWARD OF BONDS.** The Bonds, in an aggregate principal amount not to exceed \$34,700,000 with the terms as set forth in the form of Purchase Agreement attached hereto and at an average interest rate not to exceed 6.75%, shall be sold to the Underwriter at the price of par less original issue discount plus premium and accrued interest, and the County hereby authorizes and directs the delivery of the Bonds to the Underwriter upon the execution and delivery of the Purchase Agreement in accordance with Section 13 hereof and the payment by the

Underwriter of the purchase price therefor. The negotiated sale of the Bonds to the Underwriter, is hereby authorized pursuant to Section 218.385, Florida Statutes.

**SECTION 16. ARBITRAGE.** The County covenants that it will not direct the Trustee to make any investments pursuant to or under the Loan Agreement or the Trust Indenture which could cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the applicable regulations issued thereunder.

**SECTION 17. OFFICIAL STATEMENT.** The use of an Official Statement relating to the Bonds (hereinafter called "Official Statement"), in substantially the form of the Preliminary Official Statement on file in the office of the Clerk to the County as Exhibit "E" and made a part hereof and the delivery of an Official Statement with such revisions and modifications as shall hereafter be approved by the Chairman or Vice Chairman of the County and counsel to the County, such approval to be evidenced by the execution thereof by the Chairman or Vice Chairman, is hereby authorized and approved in connection with the marketing of the Bonds, and the proper officers of the County are hereby authorized to execute the Official Statement and to deliver same to the Underwriters. The circulation of the Preliminary Official Statement by the Underwriters in connection with the offering of the Bonds is hereby ratified and such document is hereby "deemed final" for the purposes of Rule 15(c)212 of the Securities and Exchange Commission.

**SECTION 18. EXECUTION OF BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION.** The proper officers of the County are hereby authorized and directed 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 of the Bonds pursuant to the conditions stated in the Trust Indenture. The Chairman or Vice Chairman, Clerk or Deputy Clerk and Attorney for the County, and Livermore Klein & Lott, P.A., bond counsel to the County, are each designated agents of the County in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the County 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 County.

**SECTION 19. THIS INSTRUMENT CONSTITUTES A CONTRACT.** The County covenants and agrees that this instrument shall constitute a contract between the County and the owners from time to time of any of the Bonds then outstanding and that all covenants and agreements set forth herein and in the Loan Agreement and the Trust Indenture to be performed by the County shall be for the equal and ratable benefit and security of all owners of the Bonds without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds.

**SECTION 20. 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.

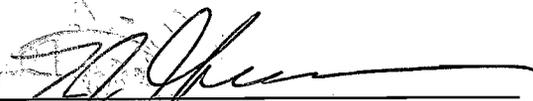
**SECTION 21. REPEALING CLAUSE.** All resolutions or parts thereof of the County in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**SECTION 22. EFFECTIVE DATE.** This instrument shall take effect immediately upon its adoption.

**NASSAU COUNTY, FLORIDA**

By:   
Chairman, Board of  
County Commissioners

**ATTEST:**

By:   
Clerk, Board of  
County Commissioners

**ADOPTED: July 27, 1992**

**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 July 27, 1992, and as the same appears on record in my office.

**IN WITNESS WHEREOF**, I hereunto set my hand this 10th day of August, 1992.

By: \_\_\_\_\_

Clerk

