

RESOLUTION NO. 02- 2002-096

A RESOLUTION OF NASSAU COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF ITS POLLUTION CONTROL PRIVATE ACTIVITY REFUNDING REVENUE BONDS, SERIES 2002 (RAYONIER PROJECT) TO REFINANCE THE COUNTY'S OUTSTANDING POLLUTION CONTROL REFUNDING REVENUE BONDS, SERIES 1992 (ITT RAYONIER INCORPORATED PROJECT); APPROVING THE BONDS PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE; PROVIDING FOR THE ISSUANCE AND SALE OF SUCH BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS AND FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, REMARKETING AGREEMENT AND PURCHASE CONTRACT; APPOINTING A TRUSTEE AND REMARKETING AGENT; AWARDING THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND APPROVING THE USE OF SUCH OFFICIAL STATEMENT IN CONNECTION WITH THE BONDS; APPROVING USE OF A LETTER OF CREDIT AS ADDITIONAL SECURITY FOR THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA (THE "ISSUER"), AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This instrument, hereinafter called the "Resolution," is adopted pursuant to the provisions of Chapter 154, Part III, and Chapter 159, Part II, Florida Statutes (the "Act"), Section 147(f) of the Internal Revenue Code, as amended, 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 May 1, 2002 (the "Indenture") between the Issuer and The Bank of New York Trust Company of Florida, N.A., as Trustee, the Loan Agreement dated as of May 1, 2002 (the "Loan Agreement") between the Issuer and Rayonier Inc. (the "Borrower"), and the Purchase Contract between the Issuer and

Banc of America Securities, LLC, as underwriter (the "Underwriter"), on file in the office of the Secretary of the Issuer as Exhibits "A," "B" and "C", respectively.

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

A. The Issuer is authorized under the Act and other applicable provisions of law to make and execute financing agreements, contracts, deeds and other instruments necessary or convenient for the purpose of facilitating the financing or refinancing of certain projects required or useful for pollution control purposes, including furnishings, machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Issuer may be able to promote the improvement of health and living conditions of the people of the State of Florida and the Issuer, increase opportunities for gainful employment and otherwise aid in improving the prosperity and welfare of said State and Issuer and their inhabitants, and to provide such financing through the issuance of revenue bonds.

B. The Issuer has previously issued its Pollution Control Refunding Revenue Bonds, Series 1992 (ITT Rayonier Incorporated Project) (the "Refunded Bonds") for the purpose of refunding the Pollution Control Revenue Bonds, 1974 Series (ITT Rayonier Project), 1976 Installment, issued for the purpose of constructing certain air and water pollution control facilities at the mill of the Borrower in the geographical boundaries of the Issuer.

C. The Borrower has requested the Issuer to issue its Pollution Control Private Activity Refunding Revenue Bonds, Series 2002 (Rayonier Project) (the "Bonds") in the aggregate principal amount of \$23,110,000 in the form of variable rate demand obligations to be loaned to the Borrower for the purpose of financing (i) the refunding of all of the outstanding Refunded Bonds; and (ii) paying certain costs incurred in connection with the issuance of the Bonds, all as more particularly described in the Indenture (the "Project").

D. 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. Additionally, the Bonds will be secured by a credit facility issued by Bank of America, N.A.

E. The principal of, premium, if any, and interest on the Bonds and all payments required under the Loan Agreement and the Indenture shall be payable solely from the Trust Estate (as defined in the Indenture), and the Issuer shall never be required to (i) levy ad valorem taxes on any property within its territorial limits to pay the principal of, premium, if any, and interest on the Bonds or to make any other payments provided for under the Loan Agreement or the Indenture; (ii) pay the same from any funds of the Issuer other than the Trust Estate; or (iii) require or enforce any payment or performance by the Borrower as provided by the Indenture or the Loan Agreement unless the Issuer's expenses in respect thereof shall be paid from moneys derived under the Loan Agreement or shall be advanced to the Issuer for such purpose, and the

Issuer 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 Issuer except the Trust Estate in the manner provided in the Loan Agreement and the Indenture.

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

G. The Issuer has determined that the criteria and requirements set forth in Section 159.27(5) of the Act have been satisfied. The costs to be paid from the proceeds of the Bonds will be costs of a "project" within the meaning of the Act.

H. Section 147(f) of the Internal Revenue Code of 1986, as amended (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 (the "Board") of the Issuer constitutes an applicable governmental unit.

I. A public hearing was scheduled before the Board for May 13, 2002 and reasonable notice of such hearing was given in accordance with Section 147(f) of the Code.

J. The Board has, on May 13, 2002, held the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, either orally or in writing, regarding the issuance of the Bonds, and the Board diligently and conscientiously considered all comments and concerns expressed by such individuals.

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

SECTION 5. AUTHORIZATION AND APPROVAL OF BONDS. The Bonds are hereby authorized to be issued in an aggregate principal amount of \$23,110,000 in the form and manner described in the 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 provisions of law), and will be payable on such dates, as provided in the Indenture and the Purchase Contract (hereinafter defined) or by subsequent resolution of the Issuer. The Bonds are hereby approved with the meaning of Section 147(f) of the Code.

SECTION 6. AUTHORIZATION, EXECUTION AND DELIVERY OF LOAN AGREEMENT. The Loan Agreement, in substantially the form on file in the office of the Clerk of the Issuer as Exhibit "B", with such changes, alterations and corrections as may be recommended by counsel to the Issuer and as may be approved by the Chairman or Vice Chairman and the Clerk or Deputy Clerk of the Issuer, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman or Vice Chairman to execute and said Clerk or Deputy Clerk to attest under the

seal of the Issuer the Loan Agreement and to deliver to the Borrower the Loan Agreement, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Borrower's duly authorized representative, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 7. AUTHORIZATION, EXECUTION AND DELIVERY OF TRUST INDENTURE. As security for the payment of the principal of, 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 on file in the office of the Clerk of the Issuer as Exhibit "A", with such changes, alterations and corrections as may be recommended by counsel to the Issuer and as may be approved by the Chairman or Vice Chairman and Clerk or Deputy Clerk of the Issuer, such approval to be presumed by their execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman or Vice Chairman to execute, and said Clerk or Deputy Clerk 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's duly authorized representative, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein. The Issuer provides in the Indenture the terms, conditions, covenants, rights, obligations, duties and agreements to and for the benefit of the owners of the Bonds, the Issuer, the Borrower and the Trustee.

SECTION 8. AUTHORIZATION, EXECUTION AND DELIVERY OF PURCHASE CONTRACT. The Purchase Contract (the "Purchase Contract"), in substantially the form on file in the office of the Clerk of the Issuer as Exhibit "C", and with such changes, alterations and corrections as may be recommended by counsel to the Issuer and as may be approved by the Chairman, Vice Chairman, Clerk or Deputy Clerk of the Issuer, such approval to be presumed by the execution thereof, is hereby approved by the Issuer, and the Issuer hereby authorizes and directs said Chairman, Vice Chairman, Clerk or Deputy Clerk to execute the Purchase Contract and to deliver to the Underwriter the Purchase Contract, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Underwriter's duly authorized representative, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 9. APPOINTMENT OF TRUSTEE. The Bank of New York Trust Company of Florida, N.A. is hereby appointed to serve as the initial Trustee under the Indenture, subject to the terms and conditions thereof.

SECTION 10. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement herein contained or contained in the Loan Agreement, Indenture or Purchase Contract (together the "Bond Documents") shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Issuer or its governing body in his individual capacity, and neither the members of the Issuer 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 11. NO THIRD PARTY BENEFICIARIES. Except as expressly provided herein or in the Bond Documents, nothing in this Resolution 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 Issuer, the Borrower, the Underwriters, the owners of the Bonds and the Trustee any right, remedy or claim, legal or equitable, under and by reason of this Resolution or of the Bond Documents, the Bond Documents and this Resolution intended to be and being for the sole and exclusive benefit of the Issuer, the Borrower, the Underwriters, the owners from time to time of the Bonds and the Trustee.

SECTION 12. PREREQUISITES PERFORMED. All acts, conditions and things relating to the adoption of this Resolution, 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 13. GENERAL AUTHORITY. The members of the governing body 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 Resolution and the Bond Documents, or desirable or consistent with the requirements hereof or thereof, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and the Bond Documents.

SECTION 14. NEGOTIATED SALE FINDING. The Issuer hereby finds, determines and declares that due to the issuance of the bonds as variable rate demand obligations that are continuously offered and reoffered, the complexity of the financing plan for the Bonds, and current bond market conditions, circumstances require that the bond issue be negotiated at private sale rather than offered by competitive bid at public sale.

SECTION 15. AWARD OF BONDS. The Bonds in the aggregate principal amount of \$23,110,000, initially shall be issued in the form of fully registered bonds, shall be dated, shall bear interest, shall be payable from such date, shall mature in installment amounts in such years, and shall contain such redemption provisions as provided in the Indenture and as provided in the Purchase Contract, and the Issuer hereby authorizes and directs the delivery of the Bonds to the Underwriter upon the execution and delivery of the Purchase Contract upon 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 under the terms and conditions set forth in the Purchase Contract. Prior to execution of the Purchase Contract, the Underwriter will deliver a Negotiated Sale Disclosure and Truth-in-Bonding Statement required by Sections 218.385(2) and (6), Florida Statutes, as amended.

SECTION 16. OFFICIAL STATEMENT. The use of an Official Statement in connection with the marketing and sale of the Bonds to the public, in substantially the form on file in the office of the Clerk to the Issuer as Exhibit "D" and made a part hereof, with such revisions

and modifications as shall hereafter be approved by the Chairman or Vice Chairman of the Issuer and counsel to the Issuer, such approval to be evidenced by the execution thereof by the Chairman or Vice Chairman, is hereby authorized and approved. Upon the execution and delivery of the Official Statement by the Chairman or Vice Chairman, such Official Statement shall be deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 17. APPROVAL OF CREDIT FACILITY. As additional security for the Bonds, the Issuer hereby approves the use of an irrevocable direct-pay letter of credit to be issued by Bank of America, N.A. to provide for the payment of the principal of, purchase price of, and interest on the Bonds.

SECTION 18. EXECUTION OF BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The proper officers of the Issuer are hereby authorized and directed to execute the Bonds when prepared (either by actual or facsimile signature) and to deliver the same to the Trustee for authentication and delivery to the Underwriter upon payment of the purchase price of the Bonds, and thereafter from time to time, pursuant to the conditions stated in the Indenture. The Chairman, Vice Chairman, Clerk, Deputy Clerk and counsel for the Issuer, and Smith Hulsey & Busey, bond counsel, are each 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 actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Bonds and that are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Bonds heretofore taken by the Issuer.

SECTION 19. THIS RESOLUTION CONSTITUTES A CONTRACT. The Issuer covenants and agrees that this Resolution shall constitute a contract between the Issuer 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 Indenture to be performed by the Issuer 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.

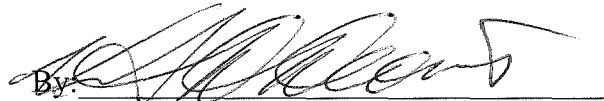
SECTION 21. REPEALING CLAUSE. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

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

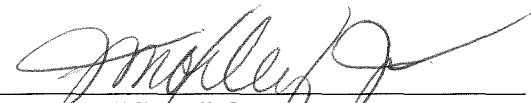
PASSED AND ADOPTED this 13th day of May, 2002.

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

(SEAL)

By: 
~~Its: Chairman~~ NICK D. DEONAS
Its: Chairman

ATTEST:

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

Approved as to form by the
Nassau County Attorney


MICHAEL S. MULLIN

380582

EXHIBIT A

NASSAU COUNTY, FLORIDA

AND

THE BANK OF NEW YORK,
as Trustee

INDENTURE OF TRUST

Dated as of ~~April~~ May _____, ~~1999~~ 2002

Relating to

\$23,3100,000
Nassau County, Florida
Pollution Control Private Activity Refunding Revenue Bonds
(Rayonier Project),
Series ~~1999~~ 2002

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of ~~April~~ May, ~~1999~~ 2002, is entered into between ~~Nassau County~~ NASSAU COUNTY, Florida FLORIDA, a political subdivision of the State of Florida created and existing under the Constitution and Laws of the State of Florida (the "Issuer"), and **THE BANK OF NEW YORK**, a New York banking corporation (the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is empowered pursuant to Chapter 159, Part II, Florida Statutes, as amended (the "Act"), to issue its bonds for the purpose of refinancing the Issuer's outstanding Pollution Control Refunding Revenue Bonds, Series ~~1989-1992~~ (ITT Rayonier Incorporated Project) (the "Refunded Bonds"), the proceeds of which were used to fund a loan made by the Issuer to ITT Rayonier Incorporated, a Delaware corporation, predecessor of Rayonier Inc., a North Carolina corporation authorized to do business in the State of Florida (the "Company") to finance the refunding of the Pollution Control Revenue Bonds, 1974 Series (ITT Rayonier Project) ~~of issued by the Ocean Highway and Port Authority~~; and

WHEREAS, in furtherance of the public purpose for which the Issuer was created, the Issuer proposes to issue its ~~\$23,300,000~~ 23,110,000 in principal amount Pollution Control Private Activity Refunding Revenue Bonds, Series ~~1999~~ 2002 (Rayonier Project) (the "Bonds") pursuant to this Indenture, to lend the proceeds of the sale of the Bonds to the Company, pursuant to a Loan Agreement (the "Agreement") of even date herewith between the Issuer and the Company and to refund the Refunded Bonds (the "Project"); and

WHEREAS, it has been determined that the estimated amount necessary to refund the Refunded Bonds will require the issuance, sale and delivery of Bonds in the aggregate principal amount of ~~\$23,300,000~~ 23,110,000, as hereinafter provided; and

WHEREAS, all things necessary to make the Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the payments under the Agreement (except for "Reserved Rights" as hereinafter defined) for payment of the principal or Purchase Price of, premium, if any, and interest on the Bonds, and to constitute this Indenture a valid assignment of all of the rights, title and interests of the Issuer under the Agreement except as otherwise stated herein, have been done and performed, and the creation, execution and delivery of this Indenture, and the issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners thereof, and of the sum of ~~one ten~~ one ten dollars, lawful money of the United States of

America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which isare hereby acknowledged, in order to secure the payment of the principal or Purchase Price of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants expressed herein and in the Bonds and to secure payment of Provider (hereinafter defined), does hereby assign and grant a security interest in the following to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to the Agreement (except for Reserved Rights), including, but not limited to, the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Agreement, to bring actions and proceedings hereunder or thereunder or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Agreement.

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to all moneys and securities from time to time held by the Trustee under the terms of this Indenture, other than moneys held (a) for the payment of the Purchase Price and (b) in the Rebate Fund.

GRANTING CLAUSE THIRD

All right, title and interest of the Issuer and to the Credit Facility (hereinafter defined), if any.

GRANTING CLAUSE FOURTH

Any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security herewith, by the Company or any other person on its behalf or with its written consent or by the Issuer or any other person on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth (a) first, for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds, from time to time, issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except in the case of funds held hereunder for the benefit of particular Owners of Bonds, and (b) second, for the benefit of the Credit Provider to the extent provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner set forth in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required hereunder, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the final payment thereof this Indenture and the rights hereby granted shall cease, determine and be void, except to the extent specifically provided in Article VIII hereof; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the amounts payable under the Agreement and any other amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Owners of the Bonds as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. All capitalized, undefined terms used herein shall have the meanings ascribed to such terms in Article I of the Agreement (as defined below). In addition, unless the context shall otherwise require, the following words and phrases when used in this Indenture shall have the meanings specified in this Section 1.01:

"Act" means Chapter 159, Part II, Florida Statutes, as amended.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against the Company or any affiliate of the Company under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agreement" means the Loan Agreement dated as of this date between the Issuer and the Company, and any amendments and supplements thereto.

"BMA Municipal Swap Index" means the rate calculated weekly, and released each Wednesday, on the basis of an index based upon the weekly interest reset rates of tax-exempt variable rate issues included in a data base maintained by Municipal Market Data, a division of Thomson Financial Services, which meet specific criteria established by the Bond Market Association, and in effect on a particular day.

"Bond Counsel" means a firm of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of public obligations.

"Bond Fund" means the fund created in Section 6.01 hereof, in which there is established a General Account, a Credit Facility Account and a Remarketing Account.

"Bond Register" means the books of the Issuer kept by the Trustee to evidence the registration and transfer of the Bonds.

"Bonds" means Nassau County, Florida Pollution Control Private Activity Refunding Revenue Bonds, Series 1999~~2002~~ (Rayonier Project) issued by the Issuer pursuant to this Indenture.

"Book-Entry System" means the system maintained by the Securities Depository described in Section 2.15.

"Business Day" means any day except (a) a Saturday or Sunday, (b) a day on which the New York Stock Exchange is closed or (c) a day on which commercial banks are authorized or permitted by law to close in New York, New York, or in the city or cities in which are located the designated corporate trust office of the Trustee or the Tender Agent or Credit Facility ~~Trustee~~ Provider or the office of the Credit Facility Provider at which demands may be made for payment on the Credit Facility.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to

federal income taxation, and except as otherwise provided herein or required by the context hereof includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"Company" means (i) Rayonier Inc., as successor to ITT Rayonier Incorporated, a North Carolina corporation authorized to do business in the State, and (ii) any surviving, resulting, or transferee entity as provided in the Agreement.

"Company Representative" means the person or persons at the time designated to act on behalf of the Company by written certificate furnished to the Issuer and the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Company by its President or Vice President. Such certificate may designate an alternate or alternates.

"Conversion Date" means (a) when used with respect to a change in Interest Periods, the date on which the interest rate on the Bonds is converted from one type of Interest Period to another type of Interest Period, which date shall be an Interest Payment Date that is at least six months after the date of issuance of the Bonds or the last preceding Conversion Date and (b) when used with respect to a Fixed Rate, the date on which the Bonds are converted to bear interest at the Fixed Rate pursuant to Section 2.05 hereof.

"Conversion Option" means the option granted to the Company in Section 2.06 hereof to convert from one type of Interest Period to another type of Interest Period or to convert to the Fixed Rate.

"Credit Agreement" means the Letter of Credit Agreement dated as of the date of this Indenture between the Company and the initial Credit Provider with respect to the Credit Facility, and any amendments or supplements thereto, together with any letter of credit, reimbursement or similar agreement between the Company and any subsequent Credit Provider, and any amendments and supplements thereto.

"Credit Facility" means the Letter of Credit and any Substitute Credit Facility provided by the Company pursuant to Section 4.4 of the Agreement.

"Credit Facility Period" shall mean any Interest Period during which payment of the principal and Purchase Price of, and the interest and redemption premium (if any) on, the Bonds are secured by a Credit Facility.

"Credit Facility Termination Date" means the later of (a) that date upon which the Credit Facility shall expire or terminate pursuant to its terms, or (b) that date to which the expiration or termination of the Credit Facility may be extended, from time to time, either by extension or renewal of the existing Credit Facility.

"Credit Provider" means the provider of any Credit Facility.

"Default" means any Default under this Indenture as specified in and defined by Section 9.01 hereof.

"Demand Purchase Option" means the option granted to Owners of Bonds, while the Bonds bear interest at the Short Term Rate, to require that Bonds be purchased pursuant to Section 4.02 hereof.

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of an Owner of the Bonds for ~~Federal~~ federal income tax purposes (other than an Owner who is a "substantial user" or "related person" to a "substantial user" within the meaning of Section 147(a) of the Code); provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Company has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until the conclusion of any appellate review, if sought.

"First Optional Redemption Date" means, (a) with respect to a Long Term Period or a Fixed Rate Period less than or equal to five (5) years, the first day of the 24th calendar month from the beginning of such Long Term Period or Fixed Rate Period, (b) with respect to along Term Period or a Fixed Rate Period greater than five (5) years but less than or equal to ten (10) years, the first day of the 60th calendar month from the beginning of such Long Term Period or Fixed Rate Period, and (c) with respect to a Long Term Period or a Fixed Rate Period greater than ten (10) years, the first day of the 72nd calendar month from the beginning of such Long Term Period or Fixed Rate Period.

"Fixed Rate" means the rate at which the Bonds shall bear interest from and including the conversion to a Fixed Rate to the maturity date pursuant to Section 2.05 hereof.

"Fixed Rate Interest Payment Date" means for the Fixed Rate Period, (a) the first day of the sixth calendar month after the beginning of the Fixed Rate Period and the first day of each sixth calendar month thereafter until the maturity date of the Bonds, (b) any redemption date with respect to all of the Bonds, and (c) the maturity date of the Bonds.

"Fixed Rate Period" means the period from the conversion to a Fixed Rate to the maturity date of the Bonds.

"Government Obligations" means direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which obligations are noncallable.

"Indenture" means this Indenture of Trust, and any amendments or supplements hereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee, director, officer, or partner of the Issuer or the Company.

"Interest Payment Date" means each Short Term Interest Payment Date, each Fixed Rate Interest Payment Date and each Long Term Interest Payment Date.

"Interest Period" means each Short Term Period, each Fixed Rate Interest Payment Date and each Long Term Period.

"Issuer" means Nassau County, Florida, and its successors and assigns.

"Issuer Representative" means the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Company and the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Issuer by its duly authorized agent. Such certificate may designate an alternate or alternates.

"Letter of Credit" means that certain letter of credit, dated the date of issuance of the Bonds, issued by ~~SunTrust Bank, Atlanta~~ Bank of America, N.A., a Georgia banking corporation.

"Long Term Interest Payment Date" means, for each Long Term Period, (a) the first day of the sixth calendar month after the beginning of the Long Term Period and the first day of each sixth calendar month thereafter until the end of the Long Term Period, (b) any redemption date with respect to all of the Bonds, and (c) the maturity date of the Bonds.

"Long Term Period" means any period of time that begins on the first day of a calendar month and ends on a specified date that is the last day of any calendar month that is an integral multiple of 12 calendar months from the beginning of such Long Term Period or the maturity of the Bonds, as determined by the Company.

"Long Term Rate" means the interest rate borne by the Bonds during any Long Term Period established pursuant to Section 2.04 hereof.

"Mandatory Purchase Date" means (a) each Conversion Date, (b) the first day of any Long Term Period, (c) the Interest Payment Date immediately before the Credit Facility Termination Date (provided, that such Interest Payment Date shall precede the Credit Facility Termination Date by not less than two (2) Business Days), (d) the effective date of a Substitute Credit Facility, and (e) during a Short Term Period, the first Interest Payment Date following the occurrence of a Determination of Taxability for which the Trustee can give notice pursuant to the provisions of Section 4.01(b) hereof.

"Maximum Rate" means an interest rate per annum equal to the lesser of the maximum rate permitted by law and 10%. The Maximum Rate may be adjusted, after the date of initial issuance and delivery of the Bonds, provided that (a) such Maximum Rate shall at no time exceed the maximum rate permitted by law, and (b) such adjustment to the Maximum Rate shall not become effective unless and until the Trustee shall receive (i) satisfactory evidence that the stated amount of the Credit Facility (if any) has been adjusted to reflect the adjusted Maximum Rate and (ii) an opinion of Bond Counsel satisfactory to the Trustee to the effect that such adjustment will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Company, with the consent of the Remarketing Agent and the Credit Provider, by written notice to the Trustee.

"Outstanding" or "~~Bonds~~-Outstanding Bonds" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at, or redemption prior to, maturity;
- (b) Bonds paid or deemed paid pursuant to Article VIII hereof;
- (c) Bonds in lieu of which others have been authenticated under Section 2.10 or Section 2.11 hereof or Bonds paid pursuant to Section 2.11 hereof; and
- (d) Bonds deemed tendered hereunder and for which another Bond has been issued.

"Owner" means the person or persons in whose name or names a Bond shall be registered on the books of the Issuer kept by the Trustee for that purpose in accordance with provisions of this Indenture.

"Par" means one hundred percent (100%) of the principal amount of any Bond, or of the aggregate principal amount of the Bonds Outstanding, as the context may require, exclusive of accrued interest.

"Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Pledged Bonds" means any Bonds which shall, at the time of determination thereof, be pledged to the Credit Provider pursuant to the Credit Agreement.

"Purchase Price" means an amount equal to 100% of the principal amount of any Bond tendered or deemed tendered pursuant to Section 4.01 or 4.02 hereof, plus, in the case of purchase pursuant to Section 4.02 hereof, accrued and unpaid interest thereon to the date of purchase.

"Rebate Fund" means the fund created in Article VII hereof.

"Record Date" means (a) so long as the Bonds bear interest at the Short Term Rate, that day which is the Business Day next preceding any Interest Payment Date, and (b) so long as the Bonds bear interest at the Long Term Rate, the 15th day of the calendar month next preceding any Interest Payment Date.

"Remarketing Agent" means the Remarketing Agent acting as such under the Remarketing Agreement. The Remarketing Agent must be a Participant in the Book-Entry System with respect to the Bonds. "Principal Office" of the Remarketing Agent means the principal office of the Remarketing Agent designated in the Remarketing Agreement.

"Remarketing Agreement" means the Remarketing Agreement dated as of this date between the Company and ~~Morgan Stanley Dean Witter~~ Banc of America Securities LLC, a limited liability company, its successors and assigns, and any amendments or supplements thereto, together with any similar agreement entered into between the Company and any successor Remarketing Agent.

"Reserved Rights" means amounts payable to the Issuer under Sections 4.2(b), 7.2 and 8.4 of the Agreement, non-exclusive rights of enforcement under Section 8.2 of the Agreement, and the right of the Issuer to receive notices.

"Responsible Officer," when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee, including any vice president, any assistant vice president, any trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Securities Depository" means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns.

"Short Term Interest Payment Date" means, for the Short Term Period, (a) the first day of each calendar month, (b) any redemption date with respect to all of the Bonds, and (b) the maturity date of the Bonds.

"Short Term Period" means (a) the period from the date of issuance and delivery of the Bonds to and including the next succeeding Tuesday (unless the Bonds are issued and delivered on a Tuesday, in which case the first Interest Period shall include only such Tuesday) and (b) any period of time of one week's duration, provided that the period commences on Wednesday of each week and continues through Tuesday of the following week.

"Short Term Rate" means the interest rate borne by the Bonds during the Short Term period established pursuant to Section 2.03 hereof.

"State" means the State of Florida.

"S&P" means Standard & Poor's, a Division of The McGraw Hills Companies, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Company, with the consent of the Remarketing Agent and the Credit Provider, during any Credit Facility Period, by written notice to the Trustee.

"Substitute Credit Facility" means a letter of credit, line of credit, insurance policy or other credit facility securing the payment of the principal and Purchase Price of, redemption premium (if any) and interest on the Bonds, delivered to the Trustee in accordance with Section 4.4 of the Agreement.

"Tender Date" means ~~(a)~~ during the Short Term Period, the seventh day (unless such day is not a Business Day, in which case the next succeeding Business Day) following receipt by the Trustee of notice from the Owner that such Owner has elected to tender bonds (as more fully described in Section 4.02 hereof).

"Trustee" means The Bank of New York, a New York banking corporation and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor Trustee at the time serving as successor Trustee hereunder. "Principal Office" of the Trustee means the address specified in Section 13.04 hereof or such other address as may be designated in writing to the Remarketing Agent, the Issuer and the Company.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

SECTION 1.02. Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "Bondholder," "Owner," "registered owner" and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific Sections of the Code refer to such Sections of the Code and all successor or replacement provisions thereto.

ARTICLE II.

THE BONDS

SECTION 2.01. Authorized Amount of Bonds. The total principal amount of Bonds that may be issued hereunder is hereby expressly limited to ~~\$23,300,000~~23,110,000.

SECTION 2.02. Issuance and Terms of Bonds.

(a) The Bonds shall be designated "~~\$23,300,000~~23,110,000 Nassau County, Florida Pollution Control Private Activity Refunding Revenue Bonds, Series 1999~~2002~~ (Rayonier Project)." During the Short Term Period, the Bonds shall be issuable as fully registered Bonds without coupons in the denomination of \$100,000, or any integral multiple of \$5,000 in excess thereof. During any Long Term Period, the Bonds shall be issuable as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Unless the Issuer shall otherwise direct, the Bonds shall be lettered "R" and shall be numbered consecutively from 1 upward.

(b) The Bonds shall be dated the date of initial authentication and delivery, and shall bear interest from such date, and thereafter from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication thereof is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication thereof, or unless no interest has been paid or duly provided for on the Bonds, then from the date of initial authentication and delivery of the Bonds, at the rates per annum and on the dates provided for in this Indenture. Notwithstanding the foregoing, if any Bond is authenticated after any Record Date and before the following Interest Payment Date, such Bond shall bear interest from such following Interest Payment Date; provided, however, that if the Issuer shall default in the payment of interest due on such Interest Payment Date, then such Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the date of initial authentication and delivery of the Bonds. The Bonds shall bear interest at the Short Term Rate, the Fixed Rate or the Long Term Rate, as the same shall be determined from time to time pursuant to this Article, plus interest on overdue installments of interest, to the extent permitted by law, at the rate of interest borne by the Bonds. During the Short Term Period, interest shall be calculated on the basis of actual days elapsed in a 365 or 366-day year, as the case may be. During the Long Term Period and the Fixed Rate Period, interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Anything herein contained to the contrary notwithstanding, the interest rate shall not exceed the Maximum Rate. The Bonds shall mature on ~~October 1, 2008~~ _____

(c) The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America at the Principal Office of the Trustee, or of its successor in trust. The Purchase Price of the Bonds shall be payable in lawful money of the United States of America by the Trustee to the Owner of Bonds entitled to receive such Purchase Price at its address shown on the registration books maintained by the Trustee, unless otherwise instructed by such ~~o~~Owner in writing at least 24 hours prior to the time such Purchase Price is due. Payment of interest on the Bonds shall be made to the Owner thereof on the applicable Record Date by check mailed by the Trustee to such Owner at its address as it appears on the registration books maintained by

the Trustee or at such other address as is furnished to the Trustee in writing by such Owner, or in such other manner as may be mutually acceptable to the Trustee and the Owner of any Bond. Interest, premium, if any, and principal due to any person holding Bonds in an aggregate principal amount of \$1,000,000 or more will be paid, upon the written request of any such holder delivered to the Trustee prior to the applicable Record Date, by wire transfer of immediately available funds to an account designated by such holder. While the Bonds are held under the Book-Entry System, interest on the Bonds shall be paid by wire transfer to the Securities Depository or its nominee.

SECTION 2.03. Short Term Period. (a) From the date of issuance of the Bonds until the next following Conversion Date and from any subsequent Conversion Date after which the Bonds will bear interest at a Short Term Rate until the next following Conversion Date, the Bonds shall bear interest at a Short Term Rate, as hereinafter described.

(b) The Short Term Rate for each Short Term Period will be determined by the Remarketing Agent (and the authority to so determine the rate is hereby delegated by the Issuer to the Remarketing Agent) on the first day of each Short Term Period, as follows: the interest rate for each Short Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on such date. Upon determining the Short Term Rate for each Short Term Period, the Remarketing Agent shall notify the Trustee and the Company of such rate by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on the date of such determination, which notice shall be promptly confirmed in writing.

(c) If the Company has exercised the Conversion Option to convert the Bonds to a Short Term Period, the Company shall instruct the Remarketing Agent, not later than the 30th day prior to the Conversion Date, to determine the Short Term Rate on the basis of a Short Term Period selected in exercising the Conversion Option.

(d) The determination of the Short Term Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Short Term Rate for the Short Term Period, the Bonds shall bear interest during such Short Term Period at a rate equal to the BMA Municipal Swap Index in effect on the day on which the Short Term Rate ~~On~~ on the Bonds was to be set.

SECTION 2.04. Long Term Period. (a) From any Conversion Date after which the Bonds will bear interest at a Long Term Rate until the next following Conversion Date or the maturity date of the Bonds, the Bonds will bear interest at a Long Term Rate, as hereinafter described.

(b) The Issuer hereby delegates to the Remarketing Agent the authority to determine the Long Term Rate, and the Long Term Rate for each Long Term Period will be determined by the Remarketing Agent as follows: the interest rate for each Long Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on the date on which the Long Term Period begins. The Long Term Rate shall be determined by the Remarketing Agent not later than the fifth (5th) day preceding the commencement of such Long Term Period, and the Remarketing Agent shall notify the Trustee and the Company thereof by telephone or such other manner as may be

appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing.

(c) The Issuer hereby delegates to the Company the authority to determine the duration of each Long Term Period. In ~~that connection~~ therewith, the Company shall instruct the Remarketing Agent, not later than the 30th day prior to the commencement of such Long Term Period, to determine the Long Term Rate on the basis of a Long Term Period ending on a specified date that is the last day of any calendar month that is an integral multiple of 12 calendar months from the beginning of such Long Term Period or the maturity of the Bonds. In the event the Company elects, at the end of a Long Term Period to have another Long Term Period applicable to the Bonds, the Company shall notify the Trustee in writing, on the date such instruction is provided to the Remarketing Agent, of such an election with respect to the Long Term Period and of the date on which such new Long Term Period shall begin, and shall furnish to the Trustee, with such notification, an opinion of Bond Counsel to the effect that such election of such Long Term Period will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the first day of such Long Term Period is a condition precedent to the beginning of such Long Term Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Bonds shall continue to bear interest for an Interest Period of the same duration as the Interest Period last in effect, with the interest rate for such Interest Period to be determined as provided in this Indenture.

(d) The determination of the Long Term Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Long Term Rate for any Long Term Period, the Bonds shall be deemed to be in a Short Term Period and the initial Short Term Rate shall be a rate equal to the BMA Municipal Swap Index in effect on the day on which the Long Term Rate on the Bonds was to be set.

SECTION 2.05. Fixed Rate Period. (a) From any Conversion Date after which the Bonds will bear interest at a Fixed Rate until the maturity date of the Bonds, the Bonds will bear interest at a Fixed Rate, as hereinafter described.

(b) The Issuer hereby delegates to the Remarketing Agent the authority to determine the Fixed Rate, and the Fixed Rate for the Fixed Rate Period will be determined by the Remarketing Agent, as follows: the interest rate for the Fixed Rate Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on the date on which the Fixed Rate Period begins. The Fixed Rate shall be determined by the Remarketing Agent not later than the fifth day preceding the commencement of such Fixed Rate Period, and the Remarketing Agent shall notify the Trustee and the Company thereof by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing.

(c) The Company shall instruct the Remarketing Agent, not later than the 30th day prior to the commencement of such Fixed Rate Period, to determine the Fixed Rate on the basis of the maturity of the Bonds. In the event the Company elects to convert to the Fixed Rate, the Company shall notify the Trustee in writing, on the date

such instruction is provided to the Remarketing Agent, of such an election with respect to the Fixed Rate Period and of the date on which such new Fixed Rate Period shall begin, and shall furnish to the Trustee, with such notification, an opinion of Bond Counsel to the effect that such election of such Fixed Rate Period will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the first day of the Fixed Rate Period is a condition precedent to the beginning of the Fixed Rate Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Bonds shall continue to bear interest for an Interest Period of the same duration as the Interest Period last in effect, with the interest rate for such Interest Period to be determined as provided in this Indenture.

(d) The determination of the Fixed Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Fixed Rate for the Fixed Rate Period, the Bonds shall be deemed to be in the Short Term Period and the initial Short Term Rate shall be a rate equal to the BMA Municipal Swap Index in effect on the day on which the Fixed Rate on the Bonds was to be set.

SECTION 2.06. Conversion Option. (a) The Company shall have the option (the "Conversion Option") to direct a change in the type of Interest Period to another type of Interest Period by delivering to the Trustee and the Remarketing Agent written instructions setting forth (i) the Conversion Date, (ii) the new type of Interest Period, (iii) if the new type of Interest Period is a Short Term Period or a Long Term Period, the duration of such period (the Fixed Rate Period shall extend to the maturity of the Bonds) and (iv) whether such Interest Period will be a Credit Facility Period. If the new Interest Period is a Long Term Period or a Fixed Rate Period and will be a Credit Facility Period, such instructions will be accompanied by a Substitute Credit Facility, or by an amendment to the existing Credit Facility, providing for the payment of the redemption premium (if any) on the Bonds during such Long Term Period or Fixed Rate Period. Such instructions shall be delivered at least thirty (30) days prior to the first day of such new Interest Period. With such instructions the Company shall furnish to the Trustee an opinion of Bond Counsel to the effect that such change in Interest Period will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the Conversion Date is a condition precedent to the change in the type of Interest Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Bonds shall continue in the Interest Period in place at the time of exercise of the Conversion Option.

(b) Any change in the type of Interest Period must comply with the following: (i) the Conversion Date must be the day following the end of an Interest Period and (ii) no change in Interest Period shall occur after an Event of Default shall have occurred and be continuing.

SECTION 2.07. Execution; Limited Obligations. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman of the Issuer and the Issuer's corporate seal or facsimile thereof shall be affixed thereto or printed or otherwise reproduced thereon and attested by the manual or facsimile signature of its Ex Officio Clerk. All authorized facsimile signatures shall have the same force and effect as if manually signed. The Bonds shall not be general obligations of the Issuer but limited

and special obligations payable solely from the amounts payable under the Agreement and other amounts specifically pledged therefor under this Indenture, and shall be a valid claim of the respective Owners thereof only against the Trust Estate, which amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. No Owner of any Bonds has the right to compel any exercise of taxing power (if any) of the Issuer to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provisions.

SECTION 2.08. Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in the form of Bond attached hereto as Exhibit "A" shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds.

In the event that any Bond is deemed tendered to the Trustee as provided in Section 4.01 or 4.02 hereof but is not physically so tendered, the Issuer shall execute and the Trustee shall authenticate a new Bond of like denomination of that deemed tendered.

SECTION 2.09. Form of Bonds. The Bonds and the certificate of authentication to be endorsed thereon are to be in substantially the form set forth in Exhibit "A" attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture.

SECTION 2.10. Authentication and Delivery of Bonds. Prior to the authentication and delivery by the Trustee of the Bonds, there shall be filed or deposited with the Trustee:

(a) a copy, certified by the Chairman or Vice Chairman of the Issuer, of all resolutions adopted and proceedings had by the Issuer authorizing the issuance of the Bonds, including the resolution authorizing the execution, delivery and performance of this Indenture and the Agreement;

(b) the opinion of Bond Counsel approving the validity of the Bonds and confirming the exclusion from gross income of interest on the Bonds; and

(c) a request and authorization to the Trustee on behalf of the Issuer and signed by an authorized officer of the Issuer to authenticate and deliver the Bonds in such specified denominations as permitted herein to purchasers thereof upon payment to the Trustee, but for the account of the Issuer, of a specified sum of money. Upon payment of the proceeds to the Trustee, the Trustee shall deposit the proceeds pursuant to Article VI hereof.

SECTION 2.11. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Issuer or the Trustee, and in the case of any lost, stolen, or

destroyed Bond, there first shall be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee, instead of issuing a duplicate Bond, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses for such service. In authenticating a new Bond, the Trustee may conclusively assume that the Issuer is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond or with any indemnity furnished in connection therewith if, after notification of the same, the Trustee has not received within two (2) days following such notification written notice from the Issuer to the contrary.

SECTION 2.12. Transfer of Bonds; Persons Treated as Owners. The Trustee shall keep books for the transfer of the Bonds as provided in this Indenture. Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds in authorized denominations for a like aggregate principal amount. Subject to the provisions of Section 2.15 hereof relating to the transfer of ownership of Bonds held in the Book-Entry System, any Bond, upon surrender thereof at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or its attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any denominations authorized by this Indenture in an aggregate principal amount equal to the principal amount of such Bond. In each case, the Trustee may require the payment by the Owner of the Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The Trustee shall not be required to exchange or register a transfer of (a) any Bonds during the fifteen day period next preceding the mailing of a notice of redemption of Bonds to be redeemed and thereafter until the date of such mailing, or (b) any Bonds selected, called or being called for redemption in whole or in part except, in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed; provided that the foregoing shall not apply to the registration or transfer of any Bond which has been tendered to the Trustee pursuant to Section 4.02 hereof, and in any such case, for purposes of selection for redemption, the Bond so tendered and the Bond issued to the transferee thereof pursuant to Section 4.04 hereof shall be deemed and treated as the same Bond. If any Bond shall be transferred and delivered pursuant to Section 4.04(a) hereof after such Bond has been (i) called for redemption, (ii) accelerated pursuant to Section 9.02, or (iii) tendered pursuant to Sections 4.01 or 4.02, the Trustee shall deliver to such transferee a copy of the applicable redemption notice, acceleration notice, or tender notice indicating that the Bond delivered to such transferee has previously been called for redemption, acceleration or tender, and such Bonds shall not be delivered by the Trustee to the transferee until the transferee shall acknowledge receipt of such notice in writing.

Subject to the provisions of Section 2.15 hereof relating to Bonds held in the Book Entry System, the Trustee and the Issuer may treat the person in whose name a Bond is registered as the absolute Owner thereof for all purposes, and neither the Issuer nor the Trustee shall be bound by any notice or knowledge to the contrary, but such registration may be changed as hereinabove provided. All payments made to the Owner

shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 2.13. Cancellation of Bonds. Subject to the provisions of Section 2.15 hereof relating to Bonds held in the Book-Entry System, whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for replacement pursuant to Section 2.11 hereof, such Bond shall be promptly disposed of by the Trustee in accordance with its customary procedures.

SECTION 2.14. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Issuer may execute, and upon the request of the Issuer, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the liens and benefits of this Indenture.

Upon presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Trustee without making any charge therefor to the Owner of such Bond in temporary form. Notwithstanding the foregoing, Bonds in definitive form may be issued hereunder in typewritten form.

SECTION 2.15. Book-Entry System. Upon the initial issuance and delivery of the Bonds, the Bonds shall be issued in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository or its designee. A single certificate (or such number of certificates required by the procedures of the Securities Depository) will be issued and delivered to the Securities Depository (or its designee) for the Bonds, and the Beneficial-Owners will not receive physical delivery of Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by ~~Book-Entry~~ Book-Entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate. The Issuer, the Company and the Trustee will recognize the Securities Depository or its nominee as the Owner for all purposes, including notices.

The Issuer, the Company, the Trustee and the Remarketing Agent may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a Book-Entry System at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Bonds shall, while the Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

Except as otherwise specifically provided in this Indenture and the Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the Issuer, the Trustee, the Remarketing Agent and the Company may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (i) payment of the principal or Purchase Price of, premium, if any, and interest on the Bonds or portion thereof to be redeemed or purchased, (ii) giving any notice permitted or required to be given to Bondholders under this Indenture, and (iii) the giving of any direction or consent or the making of any request by the ~~Bondholders-Owners~~ hereunder, and none of the Issuer, the Trustee, the Remarketing Agent nor the Company shall be affected by any notice to the contrary. None of the Issuer, the Company, the Trustee or the Remarketing Agent will have any responsibility or obligations to the Securities Depository, any Participant, any ~~Beneficial~~ Owner or any other person which is not shown on the Bond Register, with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any ~~Beneficial-Owner~~ in respect of the principal amount or redemption or Purchase Price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Participants or the ~~Beneficial-Owners~~ to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or any other action taken by the Securities Depository or any Participant. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds registered in the name of a nominee of the Securities Depository only to or "upon the order of the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in Florida), and all such payments shall be valid and effective to fully satisfy and discharge the Company's obligations with respect to the principal of, premium, if any, and interest on such Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Trustee and the Issuer, at the direction and expense of the Company, and the Issuer and the Trustee will cause the delivery of Bond certificates to such ~~Beneficial-Owners~~ of the Bonds and registered in the names of such ~~Beneficial-Owners~~ as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(a) The Securities Depository determines to discontinue providing its service with respect to the Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' notice to the Issuer, the Company and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(b) The Company determines not to continue the Book-Entry System through a Securities Depository.

In the event the Book-Entry System is discontinued, the Trustee shall mail a notice to the Securities Depository for distribution to the ~~Beneficial-Owners~~ stating that the Securities Depository will no longer serve as securities depository, the procedures for obtaining Bonds and the provisions of this Indenture which govern the Bonds, including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payment and other related matters.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect and the Trustee shall, at the expense of the Company, issue Bonds directly to the ~~Beneficial-Owners~~.

The Trustee reserves the right to initially issue the Bonds directly to the Beneficial-Owners of the Bonds if the Trustee receives an opinion of Bond Counsel that determines that use of the Book-Entry System would cause the interest on the Bonds to be included in gross income of the Owners for federal income tax purposes.

SECTION 2.16. CUSIP Numbers. The Issuer in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE III.

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 3.01. Extraordinary Redemption. During any Long Term Period or the Fixed Rate Period, the Bonds are subject to redemption in whole by the Issuer, at the option of the Company, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date, in the event all or substantially all of the Project shall have been damaged or destroyed, or there occurs the condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project as to render it, in the judgment of the Company, unsatisfactory for its intended use for a period of time longer than one year.

SECTION 3.02. Optional Redemption by the Company. During the Short Term Period, the Bonds are subject to redemption by the Issuer, at the option of the Company in whole at any times, or in part on any Interest Payment Date, less than all of such Bonds to be selected by lot or in such other manner as the Trustee shall determine (except as otherwise provided in Section 3.06 hereof), at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

On any Conversion Date, the Bonds are subject to redemption by the Issuer, at the option of the Company in whole or in part, less than all of such Bonds to be selected by lot or in such manner as the Trustee shall determine (except as otherwise provided in Section 3.06 hereof), at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

During any Long Term Period or the Fixed Rate Period, the Bonds are subject to redemption by the Issuer, at the option of the Company, on or after the First Optional Redemption Date, in whole at any time or in part on any Interest Payment Date, less than all of such Bonds to be selected by lot or in such other manner as the Trustee shall determine (except as otherwise provided in Section 3.06 hereof), at the redemption prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the redemption date:

| <u>Redemption Dates</u> | <u>Redemption Prices</u> |
|---|--------------------------|
| First Optional Redemption Date through the last day of the twelfth calendar month following such First Optional Redemption Date | 102% |
| First anniversary of the First Optional Redemption Date through the last day of the twelfth calendar month following such first anniversary | 101% |
| Second anniversary of the First Optional Redemption Date and thereafter | 100% |

SECTION 3.03. Mandatory Redemption Upon Determination of Taxability. During any Long Term Period or the Fixed Rate Period, the Bonds shall be subject to mandatory redemption prior to maturity by the Issuer in whole and not in part on the earliest practicable date for which notice can be given following the occurrence of a

Determination of Taxability, at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any to the redemption date.

SECTION 3.04. Notice of Redemption. (a) Notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any such notice shall be given in the name of the Issuer, shall identify the Bonds to be redeemed or purchased, including the date of issue and the maturity date, (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date, and shall state that on the redemption date, the redemption price of the Bonds called for redemption or purchase will be payable at the Principal Office of the Trustee, and that from that date interest will cease to accrue. The Trustee may use "CUSIP" numbers in notices of redemption or purchase as a convenience to ~~Bondholders~~ the Owners of the Bonds, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption or purchase and that reliance may be placed only on the identification numbers containing the prefix established under the Indenture. Any notice mailed as provided in this Section 3.04 shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for redemption as to any Owner to whom proper notice is mailed. Notwithstanding the foregoing provisions of this Section 3.04, delivery by the Trustee of a copy of a redemption notice to a transferee of a Bond which has been called for redemption, pursuant to the requirements of Section 2.12 hereof, shall be deemed to satisfy the requirements of the first sentence of this Section 3.04 with respect to any such transferee.

(b) In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in (a) above. Each further notice of redemption given hereunder shall contain the information required in (a) above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail, or overnight delivery service, to all of the following registered securities depositories then in the business of holding substantial amounts of bonds of the type comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York; Midwest Securities Trust Company of Chicago, Illinois; and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of bonds such as the Bonds (such as Financial Information Inc.'s Financial Daily Called Bond Service, Interactive Data Corporation's Bond Service, Kenny Information Service's Called Bond Service, Moody's Investors Service's Municipal and Government and Standard & Poor's Called Bond Record). Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 3.04. Redemption Payments. Pursuant to Section 6.10 hereof, during any Credit Facility Period, the Trustee is authorized and directed to draw upon the Credit Facility in order to provide for the payment of the redemption price of the Bonds called for redemption, and is hereby authorized and directed to apply such funds to the payment of the principal of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date. In the event the Bonds called for redemption are not secured by a Credit Facility, then if on or prior to the date fixed for redemption, sufficient moneys shall be on deposit with the Trustee to pay the redemption price of the Bonds called for redemption, the Trustee is hereby authorized and directed to apply such funds to the payment of the principal of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of moneys for redemption at the required times on or prior to the date fixed for redemption, as provided in this Article III, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption.

SECTION 3.05. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.13 hereof.

SECTION 3.06. Partial Redemption of Bonds.

(a) Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

(b) During the Short Term Period, during which the authorized denominations are \$100,000 or integral multiples of \$5,000 in excess thereof, in the event a Bond is of a denomination larger than \$100,000, a portion of such Bond may be redeemed, but Bonds shall be redeemed only in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof.

(c) During any Long Term Period or Fixed Rate Period, in case a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof.

(d) Notwithstanding anything to the contrary contained in this Indenture, whenever the Bonds which are not held in a Book-Entry System are to be redeemed in part, such Bonds which are Pledged Bonds at the time of selection of Bonds for redemption shall be selected for redemption prior to the selection of any other Bonds. If the aggregate principal amount of Bonds to be redeemed exceeds the aggregate principal amount of Pledged Bonds at the time of selection, the Trustee may select for redemption Bonds in an aggregate principal amount equal to such excess by lot or in such other manner as the Trustee may determine.

SECTION 3.07. Issuer to Direct Optional Redemption. The Issuer shall direct the Trustee in writing to call Bonds for optional redemption. Such direction from the Issuer to the Trustee shall be given at least forty-five (45) days but not more than sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. So long as a Credit Facility is then held by the Trustee, the Trustee shall only call Bonds for optional redemption if it has been notified by the Credit Provider that it will receive moneys pursuant to the Credit Facility, in the aggregate, sufficient to pay the redemption price of the Bonds to be called for redemption, plus accrued interest thereon. No optional

redemptions shall be effected at the option of the Issuer during the Short Term Rate Period under this Article III without the prior written consent of the Credit Provider.

ARTICLE IV

MANDATORY PURCHASE DATE; DEMAND PURCHASE OPTION

SECTION 4.01. Mandatory Purchase of Bonds on Mandatory Purchase Date.

(a) The Bonds shall be subject to mandatory tender by the Owners thereof for purchase on each Mandatory Purchase Date.

(b) The Trustee shall deliver or mail by first class mail a notice in substantially the form of Exhibit "B" attached hereto at least fifteen (15) days prior to the Mandatory Purchase Date to the Owners of the Bonds at the address shown on the registration books of the Issuer.

(c) Any notice given by the Trustee as provided in this Section 4.01 shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Owner, shall not affect the proceeding for purchase as to any Owner to whom proper notice is mailed.

(d) Owners of Bonds shall be required to tender their Bonds to the Trustee for purchase at the Purchase Price, no later than 10:00 A.M. New York City time on the Mandatory Purchase Date, and any such Bonds not so tendered by such time on the Mandatory Purchase Date ("Untendered Bonds") shall be deemed to have been purchased pursuant to this Section 4.01. In the event of a failure by an Owner of Bonds to tender its Bonds on or prior to the Mandatory Purchase Date, said Owner shall not be entitled to any payment (including any interest to accrue subsequent to the Mandatory Purchase Date) other than the Purchase Price for such Untendered Bonds, and any Untendered Bonds shall no longer be entitled to the benefits of this Indenture, except for the purpose of payment of the Purchase Price therefor.

(e) The Trustee shall provide the Company with a copy of any notice delivered to the Owners of the Bonds pursuant to this Section 4.01.

SECTION 4.02. Demand Purchase Option. Any Bond bearing interest at the Short Term Rate shall be purchased from the Owners thereof at the Purchase Price as provided in (a) or (b) below:

(a) While the Book-Entry System is not in effect:

(i) delivery to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (1) states the aggregate principal amount and Bond numbers of the Bonds to be purchased; and (2) states the date on which such Bonds are to be purchased, which date shall be a Tender Date not prior to the seventh day next succeeding the date of delivery of such notice; and

(ii) delivery to the Trustee at its Principal Office at or prior to 10:00 A.M. New York City time on the date designated for purchase in the notice described in (i) above of such Bonds to be purchased, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank, and if such Bonds are to be purchased prior to the next succeeding Interest Payment Date and after the Record

Date in respect thereof, a due bill, payable to bearer, for interest due on such Interest Payment Date.

(b) While the Book-Entry System is in effect, the ownership interest of any Beneficial-Owner of a Bond or portion thereof in an authorized denomination shall be purchased at the Purchase Price if such Beneficial-Owner causes the Participant through whom such Beneficial-Owner holds such Bonds to (i) deliver to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office a notice ~~which~~ that (1) states the aggregate amount of the beneficial ownership interest to be purchased, and (2) states the date on which such beneficial interest is to be purchased, which date shall be a Tender Date not prior to the seventh day next succeeding the date of delivery of such notice; and (ii) on the same date as delivery of the notice referred to in (i) above, deliver a notice to the Securities Depository irrevocably instructing it to transfer on the registration books of the Securities Depository the beneficial ownership interests in such Bond or portion thereof to the account of the Trustee, for settlement on the purchase date on a "free delivery" basis with a copy of such notice delivered to the Trustee on the same date; and if such beneficial interests are to be purchased prior to the next succeeding Interest Payment Date and after the Record Date in respect thereof, a due bill, payable to bearer, for interest due on such Interest Payment Date, shall be delivered to the Participant by the Beneficial-Owner giving notice of such tender.

SECTION 4.03. Funds for Purchase of Bonds. On the date Bonds are to be purchased pursuant to Sections 4.01 or 4.02 hereof, such Bonds shall be purchased at the Purchase Price only from the funds listed below. Subject to the provisions of Section 6.10(c) hereof, funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of such Bonds ~~which~~ that have been remarketed by the Remarketing Agent and which proceeds are on deposit with the Trustee prior to 12:00 Noon New York City time on the Business Day preceding the date such Bonds are to be purchased but, during any Credit Facility Period, only if such Bonds were purchased by an entity other than the Company or the Issuer, or any affiliate of the foregoing;

(b) moneys drawn by the Trustee under the Credit Facility, during any Credit Facility Period, pursuant to Section 6.10 hereof; and

(c) any other moneys furnished to the Trustee and available for such purpose.

SECTION 4.04. Delivery of Purchased Bonds.

(a) Bonds purchased with moneys described in Section 4.03(a) hereof shall be delivered by the Trustee, at its Principal Office, to or upon the order of the purchasers thereof and beneficial interests so purchased shall be registered on the books of the Securities Depository in the name of the Participant through whom the new Beneficial-Owner has purchased a such beneficial interest therein; provided, however, that during any Credit Facility Period, the Trustee shall not deliver any Bonds and there shall not be registered any beneficial ownership ~~as with respect to~~ in Bonds as described in this paragraph ~~with respect to Bonds which were Pledged Bonds until the Credit Provider has confirmed in writing that the Credit Facility has been reinstated in full.~~

(b) Bonds purchased with moneys described in Section 4.03(b) hereof shall be delivered by the Trustee to or upon the order of the Credit Provider and shall, if

requested by the Credit Provider, be marked with a legend indicating that they are Pledged Bonds.

(c) Bonds purchased with moneys described in Section 4.03(c) hereof shall, at the direction of the Company, (i) be delivered as instructed by the Company, or (ii) be delivered to the Trustee for cancellation; provided, however, that any Bonds so purchased after the selection thereof by the Trustee for redemption shall be delivered to the Trustee for cancellation.

(d) The Trustee shall deliver to the person to whom the Trustee is to deliver such Bonds or who becomes the Beneficial-Owner thereof the due bills, if any, delivered to the Trustee with such Bonds in accordance with Section 4.02 hereof.

(e) While the Book-Entry System is in effect with respect to the Bonds, delivery of Bonds for purchase shall be deemed to have occurred upon transfer of ownership interests therein to the account of the Trustee on the books of the Securities Depository.

(f) While the Book-Entry System is in effect, payment of the Purchase Price of beneficial ownership interests tendered pursuant to Section 4.02(b) hereof shall be made by payment to the Participant from whom the notice of tender is received from the sources provided herein for the purchase of Bonds. The Trustee shall hold beneficial ownership interests of Bonds delivered to it pursuant to Section 4.02(b) hereof pending settlement in trust for the benefit of the Participant from whom the beneficial interests in the Bonds are received.

Except as provided above, Bonds delivered as provided in this Section 4.04 shall be registered in the manner directed by the recipient thereof.

SECTION 4.05. Delivery of Proceeds of Sale of Purchased Bonds. Except in the case of the sale of any Pledged Bonds, the proceeds of the sale of any Bonds delivered to the Trustee pursuant to Section 4.01 or 4.02 hereof, to the extent not required to pay the Purchase Price thereof in accordance with Section 4.03 hereof, shall be paid to or upon the order of the Credit Provider, to the extent required to satisfy the obligations of the Company under the Credit Agreement, and the balance, if any, shall be paid to or upon the order of the Company; provided, however, in the case of Pledged Bonds that are subsequently remarketed prior to an Interest Payment Date, the accrued interest paid by such new purchaser shall be deposited into the Remarketing Account of the Bond Fund and used to pay interest on the next Interest Payment Date.

SECTION 4.06. Duties of Trustee with Respect to Purchase of Bonds.

(a) The Trustee shall hold all Bonds delivered to it pursuant to Section 4.01 or 4.02 hereof in trust for the benefit of the respective Owners of Bonds ~~which that~~ shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners of Bonds;

(b) The Trustee shall hold all moneys delivered to it pursuant to this Indenture for the purchase of Bonds in a separate account, in trust for the benefit of the person or entity ~~which that~~ shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity, and after such delivery, in trust for the benefit of the persons or ~~entity/entities~~ who have not tendered or received payment for their Bonds;

(c) The Trustee shall deliver to the Company, the Remarketing Agent and, during any Credit Facility Period, the Credit Provider, a copy of each notice delivered to it in accordance with Section 4.02 hereof and, immediately upon the delivery to it of Bonds in accordance with said Section 4.02, give telephonic notice to the Company and, ~~during any Credit Facility Period, the Credit Provider, during any Credit Facility Period,~~ specifying the principal amount of the Bonds so delivered; and

(d) During any Credit Facility Period, the Trustee shall draw moneys under the Credit Facility as provided in Section 6.10 hereof to the extent required to provide for timely payment of the Purchase Price of Bonds in accordance with the provisions of Section 4.03 hereof.

SECTION 4.07. Remarketing of Bonds. The Remarketing Agent shall remarket, in accordance with the terms of the Remarketing Agreement, Bonds or beneficial interests tendered pursuant to the terms of Sections 4.01 and 4.02 hereof at a price equal to the principal amount thereof plus accrued interest thereon from the last previous Interest Payment Date upon which interest has been paid to the date of such remarketing. The Trustee shall not authenticate and release Bonds or beneficial interests in Bonds prior to 10:30 A.M. New York City time on the date of any remarketing.

ARTICLE V.

GENERAL COVENANTS

SECTION 5.01. Payment of Principal, Premium, if any, and Interest. The Issuer covenants that it will promptly pay or cause to be paid the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, but solely from the amounts pledged therefor ~~which that~~ are from time to time held by the Trustee in the various accounts of the Bond Fund. The principal of, premium, if any, and interest on the Bonds are payable from the amounts to be paid under the Agreement and otherwise as provided herein and in the Agreement, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture shall be construed as pledging any other funds or assets of the Issuer.

Neither the Issuer, the State, nor any political subdivision of the State shall in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Issuer except to the extent that the moneys pledged herein are sufficient therefor. No Owner of any Bonds has the right to compel any exercise of taxing power of the State or any political subdivision thereof to pay ~~is~~ the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer, the State or any political subdivision of the State, or a loan of credit of any of the foregoing within the meaning of any constitutional or statutory provision.

SECTION 5.02. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture and in the Agreement, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture, to assign the Agreement, and to pledge the amounts to be paid under the Agreement and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance ~~I~~ of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the terms thereof and hereof.

SECTION 5.03. Instruments of Further Assurance. The Issuer will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer, except as herein and in the Agreement provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the amounts, revenues and receipts payable under the Agreement or its rights under the Agreement.

SECTION 5.04. Recording and Filing. The Company has agreed pursuant to the Agreement that it will cause all financing statements related to this Indenture and all supplements hereto and all continuations thereof to be recorded and filed in such manner

and in such places as may from time to time be required by law in order to preserve and protect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by this Indenture.

SECTION 5.05. Inspection of Books. All books and records, if any, in the Issuer's possession relating to the Project and the amounts derived from the Project shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

SECTION 5.06. List of Owners of Bonds. The Trustee will keep on file a list of names and addresses of the Owners of all Bonds as from time to time registered on the registration books maintained by the Trustee, together with the principal amount and numbers of such Bonds owned by each such Owner. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied for any purpose by the Company or by the Owners (or a designated representative thereof) of fifteen percent (15%) or more in aggregate principal amount of Outstanding Bonds, such possession or ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee.

SECTION 5.07. Rights Under Agreement. The Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Company, and reference is hereby made to the Agreement for a detailed statement of said covenants and obligations of the Company thereunder, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer (other than Reserved Rights) and all obligations of the Company under and pursuant to the Agreement for and on behalf of the Owners of Bonds, whether or not the Issuer is in default hereunder.

SECTION 5.08. Undertaking to Provide Ongoing Disclosure. If the Conversion Option to elect a Long Term Period or the Fixed Rate Period is elected, the Company has undertaken to provide ongoing disclosure for the benefit of the Bondholders pursuant to Section (b) (5) (i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240 § 240.15C2-12) in Section 6.4 of the Agreement, which undertaking is hereby assigned by the Issuer to the Trustee for the benefit of the Owners. Such assignment is a present absolute assignment and not the assignment of a security interest. Section 6.6 of the Agreement shall be enforceable by any Owner and the Trustee.

SECTION 5.09. Notice of Control. The Trustee agrees to provide written notice to the Bondholders promptly following receipt of any notice from the Company pursuant to Section 6.5 of the Agreement.

ARTICLE VI.

APPLICATION OF PROCEEDS, REVENUES AND FUNDS

SECTION 6.01. Creation of the Bond Fund. There is hereby created and established with the Trustee a trust fund to be designated "Nassau County, Florida, Bond Fund, Rayonier Project," which shall be used to pay when due the principal and Purchase Price of, premium, if any, and interest on the Bonds. Within the Bond Fund there is hereby created and established certain trust accounts, to be designated the "General Account", the "Credit Facility Account", and the "Remarketing Account". Moneys drawn under the Credit Facility (if any) shall be deposited in the Credit Facility Account and shall be held separate and apart from moneys derived from any other source. Moneys received from the Remarketing Agent shall be deposited in the Remarketing Account and shall be held separate and apart from moneys derived from any other source. Unless otherwise specified, all moneys received by the Trustee for deposit into the Bond Fund shall be credited to the General Account. Any reference herein to the "Bond Fund" without further qualification or explanation shall, unless the context indicates otherwise, constitute a reference to the General Account.

SECTION 6.02. Payments into the Bond Fund. There shall be deposited into the Bond Fund from time to time the following:

(a) in the Credit Facility Account, moneys drawn under the Credit Facility (during any Credit Facility Period);

(b) in the Remarketing Account, moneys received by the Trustee from the proceeds of the remarketing of the Bonds; and

(c) in the General Account, all other moneys received by the Trustee under and pursuant to any of the provisions hereof or of the Agreement ~~which that~~ are required to be or which are accompanied by directions that such moneys are to be paid into the Bond Fund.

SECTION 6.03. Use of Moneys in the Bond Fund. Except as provided in Sections 4.03, 4.05, 4.06 and 6.09 hereof, moneys in the various accounts of the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds and for the redemption of the Bonds prior to maturity. Funds for such payments of the principal of and premium, if any, and interest on the Bonds shall be derived from the following sources in the order of priority indicated:

(a) moneys drawn by the Trustee under the Credit Facility during any Credit Facility Period;

(b) moneys deposited into the Remarketing Account of the Bond Fund pursuant to Section 4.05 hereof, representing the accrued interest paid by the purchaser of Pledged Bonds; and

(c) any other moneys furnished to the Trustee and available for such purpose.

SECTION 6.04. Payment of Bonds with Proceeds of Refunding Bonds. The principal of and interest on the Bonds may be paid from the proceeds of the sale of

refunding obligations if, in the opinion of nationally recognized counsel experienced in bankruptcy matters, which opinion shall be satisfactory to the rating agency (if any) then providing the rating borne by the Bonds, the application of such refunding proceeds will not constitute a voidable preference in the event of the occurrence of an Act of Bankruptcy.

SECTION 6.05. Application of Proceeds. The Issuer will deposit the proceeds of the Bonds with the Trustee. The Trustee will deposit such proceeds and will disburse the same for the following purposes:

(1) The accrued interest received upon the delivery of the Bonds, if any, shall be deposited in the Bond Fund created and established in Section 6.01 hereof and used for the purpose of paying interest on the Bonds on the first Interest Payment Date.

(2) The Trustee, as successor to Barnett Banks Trust Company, N.A., is the Trustee for the Refunded Bonds (in such capacity, the "Prior Trustee"). Upon the issuance of the Bonds, the proceeds thereof will be transferred to the Prior Trustee, for the purpose of paying the principal of the Refunded Bonds within ninety days or, in the event of a failure of such redemption, to redeem the Bonds as provided herein.

SECTION 6.06. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bond shall have been deposited with the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested or invested in Government Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Owner of such Bond, which shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two (2) years after the date on which the same shall have become due shall be repaid by the Trustee to the Company upon written direction of a Company Representative, and thereafter Owners of Bonds shall be entitled to look only to the Company for payment, and then to the extent of the amount so repaid, and all liability of the Trustee with respect to such money shall thereupon cease, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

SECTION 6.08. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any fund or account referred to in any provision of this Indenture or the Agreement shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien and security interest created hereby, except as otherwise specifically provided herein.

SECTION 6.09. Repayment to the Credit Provider and the Company from the Bond Fund. Any amounts remaining in any account of the Bond Fund, or any other fund or account created hereunder after payment in full of the principal of, premium, if any, and interest on the Bonds, the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, shall be paid immediately to the Credit Provider to the extent of any indebtedness of the Company to the Credit Provider under the Credit Agreement, and, after repayment of all such indebtedness, to the Company. In making any payment to the Credit Provider under this Section 6.09, the Trustee may rely

conclusively upon a written statement provided by the Credit Provider as to the amount payable to the Credit Provider under the Credit Agreement.

SECTION 6.10. Credit Facility.

(a) During any Credit Facility Period, the Trustee shall timely draw moneys under the Credit Facility in accordance with the terms thereof (i) to pay when due (whether by reason of maturity, the occurrence of an Interest Payment Date, redemption, acceleration or otherwise) the principal of, premium, if any, and interest on the Bonds, and (ii) to the extent moneys described in Section 4.03(a) hereof are not available therefor prior to 12:00 Noon New York City time on the Business Day preceding the date such Bonds are to be purchased, to pay when due the Purchase Price of Bonds. Without limiting the generality of the foregoing, if the time between Interest Payment Dates is greater than one month for an Interest Period, the Trustee is hereby instructed to draw upon the Credit Facility on the first day of each calendar month during such Interest Period, in arrears for the preceding calendar month, commencing with the first day of the second calendar month of such Interest Period (or on the Business Day preceding the first day of each such calendar month, in the event such day is not a Business Day), an amount equal to the interest on the Bonds that has accrued or will accrue during the calendar month for which the drawing is being submitted. Upon the final drawing of the Interest Period, and the application of all amounts drawn during such Interest Period to the payment on the applicable Interest Payment Date of interest that has accrued on Bonds during such Interest Period, the investment earnings (if any) on any previous amounts drawn under the Credit Facility, which investments earnings are on deposit in the Credit Facility Account of the Bond Fund, shall be paid by the Trustee to the Company.

(b) In the event of a drawing under the Credit Facility to pay the Purchase Price of Bonds upon a Mandatory Purchase Date relating to the issuance and delivery of a Substitute Credit Facility, the Trustee shall draw moneys under the Credit Facility in effect on and prior to such Mandatory Purchase Date and shall not draw upon the Substitute Credit Facility that will become effective on or after such Mandatory Purchase Date.

(c) Notwithstanding any provision to the contrary ~~which that~~ may be contained in this Indenture, including, without limitation, Section 6.10(a) hereof, (i) in computing the amount to be drawn under the Credit Facility on account of the payment of the principal or Purchase Price of, or premium, if any, or interest on the Bonds, the Trustee shall exclude any such amounts in respect of any Bonds ~~which that~~ a Responsible Officer knows are Pledged Bonds on the date such payment is due, and (ii) amounts drawn by the Trustee under the Credit Facility shall not be applied to the payment of the principal or Purchase Price of, or premium, if any, or interest on, any Bonds ~~which that~~ a Responsible Officer knows are Pledged Bonds on the date such payment is due.

ARTICLE VII.

INVESTMENT OF MONEYS

Any moneys held as a part of any fund other than the Bond Fund shall be invested or reinvested by the Trustee, to the extent permitted by law, at the written request of and as directed by a Company Representative, such written request to specify the particular investment, in any of the following qualified investments:

(i) Bonds or obligations of counties, municipal corporations, school districts, political subdivisions, authorities, or bodies of the State;

(ii) Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government;

(iii) Obligations of agencies of the United States Government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(iv) Bonds or other obligations issued by any Public Housing Agency or Municipal Corporation in the United States, ~~provided which that~~ such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States Government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States ~~which that~~ are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States Government;

(v) Certificates of deposit of national or state banks located within the sState which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan associations located within ~~this--state~~ the State ~~which that~~ have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Federal Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Federal Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within ~~this--the~~ sState, of one or more the following securities in an aggregate principal amount equal at least to the amount of such excess; direct and general obligations of this sState or of any county or municipal corporation in this sState, obligations of the United States or subsidiary corporations included in paragraph (ii) hereof; obligations of the agencies of the United States Government included in paragraph (iii) hereof, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (iv) hereof; (vi) Repurchase agreements with respect to obligations included in paragraphs (i), (ii), (iii), (iv) or (v) above and any other investments to the extent at the time permitted by then applicable law for the investment of public funds; and (vii) S§ securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time

amended, or any common trust fund maintained by any bank or trust company which ~~that~~ holds such proceeds as trustee or by an affiliate thereof so long as:

(a)the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraph (ii) hereof and repurchase agreements fully collateralized by any such obligations;

(b) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(c) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(d) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within this State.

Any moneys held as a part of any account of the Bond Fund or the Rebate Fund shall be invested or reinvested by the Trustee, at the specific written direction of the Company, in government Obligations with such maturities as shall be required in order to assure full and timely payment of amounts required to be paid from the Bond Fund or the Rebate Fund, which maturities shall (in the case of the Bond Fund), in any event, extend no more than thirty (30) days from the date of acquisition thereof; provided, that any moneys held pursuant to the provisions of Section 6.09 either shall be held uninvested or shall be invested in Government Obligations maturing on the next Business Day.

The Trustee may make any and all such investments through its own bond or investment department or the bond or investment department of any bank or trust company under common control with the Trustee. All such investments shall at all times be a part of the fund or Account from which the moneys used to acquire such investments shall have come and all income and profits on such investments shall be credited to, and losses thereon shall be charged against, such fund. All investments hereunder shall be registered in the name of the Trustee, as Trustee under the Indenture. All investments hereunder shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of investments of funds in any account of the Bond Fund whenever the cash balance in such account of the Bond Fund is insufficient, together with any other funds available therefor, to pay the principal or Purchase Price of, premium, if any, and interest on the Bonds when due. The Trustee shall not be responsible for any reduction of the value of any investments made in accordance with the directions of the Company or a Company Representative or any losses, fees, taxes or other charges incurred in connection with any investment, reinvestment or liquidation of an investment.

The Issuer covenants and certifies to and for the benefit of the Owners of the Bonds from time to time Outstanding that so long as any of the Bonds remain Outstanding, the Issuer shall not direct that moneys on deposit in any fund or account in connection with the Bonds (whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources), be used in a manner which ~~that~~ will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such covenants, the Issuer obligates itself to comply throughout the term of the Bonds with any request of the Company regarding the requirements of Section 148 of the Code, and any regulations promulgated thereunder.

Unless an opinion is rendered by Bond Counsel to the effect that the following actions are not required in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the Issuer hereby covenants that it will make payments from the Rebate Fund, hereby created and defined, as directed by the Company (but only from moneys provided to the Issuer by or on behalf of the Company for such purposes), if any, required to be made to the United States pursuant to the Code in order to establish or maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

ARTICLE VIII.

DISCHARGE OF INDENTURE

SECTION 8.01. Discharge of Indenture. If the Issuer shall pay or cause to be paid, in accordance with the provisions of this Indenture, to the Owners of the Bonds, the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall not then be in default in any of the other covenants and promises in the Bonds and in this Indenture ~~expressed as to be kept,~~ performed and observed by it or on its part and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to release the lien hereof and recovery, release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except (i) amounts in any account of the Bond Fund required to be paid to the Credit Provider or the Company under Section 4.05 or 6.09 hereof, (ii) cash held by the Trustee for the payment of the principal or Purchase Price of, premium, if any, or interest on particular Bonds and (iii) amounts in the Rebate Fund required to be paid to the United States.

SECTION 8.02. Defeasance of Bonds. The following provisions of this Section 8.02 shall apply only during a Long Term Period that ends upon the date of maturity of the Bonds:

Any Bond shall be deemed to be paid within the meaning of this Article VIII and for all purposes of this Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will insure, without further investment or reinvestment thereof, in the opinion of an independent certified public accounting firm of national reputation (a copy of which opinion shall be furnished to the rating agency then providing the rating borne by the Bonds), the availability of sufficient moneys to make such payment, (b) all necessary and proper fees, compensation and expenses of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made, shall have been paid or the payment thereof provided for to the satisfaction of the Trustee, and (c) during any Credit Facility Period, the Issuer shall have given to the Trustee in form satisfactory to the Trustee an opinion of nationally recognized counsel experienced in bankruptcy matters, which opinion shall be satisfactory to the rating agency (if any) then providing the rating borne by the Bonds, to the effect that the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Act of Bankruptcy. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed payment of such Bonds as aforesaid until (a) proper notice of redemption of such Bonds shall have been previously given in accordance with

Article III of this Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Company shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owners of the Bonds, that the deposit required by (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 8.02 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

Before accepting or using any moneys to be deposited pursuant to this Section 8.02, the Trustee shall require that the Company furnish to it (i) an opinion of Bond Counsel to the effect that such deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and that all conditions hereunder have been satisfied, and (ii) a certificate of an independent certified public accountant to the effect that a deposit will be sufficient to defease the Bonds as provided in this Section 8.02. The Trustee shall be fully protected in relying upon such Bond Counsel opinion and/or accountant's certificate in accepting or using any moneys deposited pursuant to this Article VIII.

All moneys so deposited with the Trustee as provided in this Section 8.02 may also be invested and reinvested, at the specific written direction of the Company, in noncallable Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section 8.02 ~~which that~~ is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the General Account of the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the General Account of the Bond Fund; provided, however, unless the opinion of Bond Counsel specifically permits any such reinvestment, the Company shall furnish to the Trustee an opinion of Bond Counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

The Issuer hereby covenants that no deposit will knowingly be made or accepted and no use knowingly made of any such deposit ~~which that~~ would cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

Notwithstanding any provision of any other ~~a~~Article of this Indenture ~~which that~~ may be contrary to the provisions of this Section 8.02, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section 8.02 for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including the interest and premium thereon, if any) with respect to which such moneys or Government Obligations have been so set aside in trust.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to this Section 8.02 or the principal and interest received in respect thereof other than any such tax, fee or other charge ~~which that~~ by law is for the account of the Owners of Outstanding Bonds.

ARTICLE IX.

DEFAULTS AND REMEDIES

SECTION 9.01. Defaults. If any of the following events occur, it is hereby declared to constitute a "Default":

- (a) Default in the due and punctual payment of interest on any Bond;
- (b) ___Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the due and punctual payment of the Purchase Price of any Bond at the time required by Section 4.01 or 4.02 hereof;
- (d) _____At any time during the Credit Facility Period, receipt by the Trustee, within 10 Business Days following a drawing under the Credit Facility to pay interest or the portion of the Purchase Price corresponding to interest on the Bonds, of written notice from the Credit Provider that the Credit Facility will not be reinstated (in respect of interest) to an amount equal to at least 50 days' interest on all Outstanding Bonds;
- (e) ___At any time during the Credit Facility Period, receipt by the Trustee of written notice from the Credit Provider that an Event of Default has occurred under the Credit Agreement and instructing the Trustee to accelerate the Bonds;
- (f) At any time other than a Credit Facility Period, the occurrence of a Default under the Agreement; and
- (g) _____At any time other than a Credit Facility Period, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 9.12 hereof.

SECTION 9.02. Acceleration. Upon the occurrence and during the continuation of (i) any Default under Sections 9.01(a), (b), (c), (f) or (g), the Trustee may, and at the written request of the Owners of not less than fifty percent (50%) in aggregate principal amount of Outstanding Bonds shall, or (ii) any Default under subsection (d) or (e) of Section 9.01, the Trustee shall, by notice in writing delivered to the Issuer and the Company (and, if the Book-Entry System is in effect, the Securities Depository), declare the principal of all Bonds and the interest accrued thereon to the date of such acceleration immediately due and payable. Upon any declaration of acceleration hereunder, the Trustee shall immediately declare all payments required to be made by the Company under the Agreement to be immediately due and payable and, during the Credit Facility Period, shall draw moneys under the Credit Facility to pay the principal of all outstanding Bonds and the accrued interest thereon to the date of acceleration to the extent required by Section 6.02(a) hereof. Interest shall cease to accrue on the Bonds on the date of declaration of acceleration under this Section 9.02.

SECTION 9.03. Other Remedies; Rights of Owners of Bonds. Subject to the provisions of Section 9.02 hereof, upon the occurrence and during the continuation of a

Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds.

Subject to the provisions of Section 9.02 hereof, if a Default shall have occurred and be continuing and if requested so to do by the Owners of not less than fifty percent (50%) in aggregate principal amount of Outstanding Bonds and provided the Trustee is indemnified as provided in Section 10.01(1) hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 9.03 and by Section 9.02 hereof, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of Bonds.

Subject to the provisions of Section 9.02 hereof, no remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Owners of Bonds) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners of Bonds hereunder or now or hereafter existing at law or in equity.

No delay or omission 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 acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

No waiver of any Default hereunder, whether by the Trustee or by the Owners of Bonds, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

SECTION 9.04. Right of Owners of Bonds to Direct Proceedings. Subject to the provisions of Section 9.02 hereof, anything in this Indenture to the contrary notwithstanding, the Owners of at least a majority in aggregate principal amount of the Outstanding Bonds shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that, such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 9.05. Appointment of Receivers. Upon the occurrence and during the continuation of a Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 9.06. Waiver. Upon the occurrence and during the continuation of a Default, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

SECTION 9.07. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX (other

than moneys drawn under the Credit Facility, which shall be deposited directly into the Credit Facility Account of the Bond Fund, proceeds of any remarketing of Bonds, which shall be deposited directly into the Remarketing Account of the Bond Fund, or moneys deposited with the Trustee and held in accordance with Section 6.07 hereof) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances owing to or incurred or made by the Trustee, be deposited in the General Account of the Bond Fund and the moneys in each account of the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds ~~which that~~ shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), ~~(with interest on overdue installments of principal and premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds)~~ and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege; and

THIRD - To the payment to the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest on the Bonds ~~which that~~ may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of interest, principal and premium, if any, due on such date to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article IX, then, subject to the provisions of Section 9.07(b) hereof, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 9.07(a) hereof.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.07, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, that, upon an acceleration of Bonds pursuant to Section 9.02, interest shall cease to accrue on the Bonds on and after the date of such acceleration. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 9.07 and all expenses and charges of the Trustee have been paid, any balance remaining in any account of the Bond Fund shall be paid to the Company or the Credit Provider as provided in Section 6.09 hereof.

Notwithstanding anything, to the contrary herein or otherwise, moneys drawn under the Credit Facility shall be applied only to the payment of principal or Purchase Price of and accrued interest on the Bonds.

SECTION 9.08. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

SECTION 9.09. Rights and Remedies of Owners of Bonds. No Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (subject to the provisions of Section 9.02 hereof) (i) a Default has occurred and is continuing of which the Trustee has been notified as provided in Section 10.01 (h) hereof, or of which by said subsection it is deemed to have notice, (ii) the Owners of not less than fifty percent (50%) in aggregate principal amount of Outstanding Bonds shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding and shall have offered to the Trustee indemnity as provided in Section 10.01(1), and (iii) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding. Such notification, request and offer of indemnity are hereby declared in every case to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or equity shall be instituted, had

and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Outstanding Bonds. However, nothing contained in this Indenture shall affect or impair the right of any Owner of Bonds to enforce the payment of the principal or Purchase Price of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner described in the Bonds-expressed. No Owner of any Bond shall have any right to institute any suit, action or proceeding at equity or at law to enforce a drawing under the Credit Facility.

SECTION 9.10. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Issuer, the Trustee and the Owners of Bonds shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 9.11. Waivers of Default. The Trustee shall waive any Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written request of the Owners of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) at least a majority in aggregate principal amount of Outstanding Bonds in the case of any other Default; provided, however, that there shall not be waived any Default hereunder during a Credit Facility Period unless and until the Trustee shall have received written notice from the Credit Provider that the Credit Facility has been reinstated in full; and provided further that any Default under subsection (e) of Section 9.01 hereof may only be waived upon the written request of the Credit Provider (if any) (and in such case the consent of the Owners of the Bonds shall not be required); and provided further that there shall not be waived any Default specified in subsection (a) or (b) of Section 9.01 hereof unless prior to such waiver or rescission, the Company shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Bonds which became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (ii) all fees and expenses of the Trustee in connection with such Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Default shall have been discontinued or concluded or determined adversely, then and in every such case the Issuer, the Trustee and the Owners of Bonds shall be restored to their former positions and rights ~~g~~ hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon.

Notwithstanding the foregoing, no waiver, rescission or annulment of a Default hereunder shall be made if the Credit Provider shall theretofore have honored in full a drawing under the Credit Facility in respect of such Default.

SECTION 9.12. Notice of Defaults under Section 9.01(f) or (g): Opportunity to Cure Such Defaults. Anything herein to the contrary notwithstanding, no Default under Section 9.01 (f) or (g) hereof shall be deemed a Default until notice of such Default shall be given to the Issuer and the Company by the Trustee or by the Owners of not less than fifty percent (50%) in aggregate principal amount of all Outstanding Bonds, and the Issuer and the Company shall have had thirty (30) days after receipt of such notice to correct said Default or to cause said Default to be corrected and shall not have corrected

said Default or caused said Default to be corrected within the applicable period; provided, however, if said Default be such that it cannot be corrected within the applicable period, it shall not constitute a Default if corrective action is instituted by the Issuer or the Company within the applicable period and diligently pursued until the Default is corrected.

With regard to any Default concerning which notice is given to the Issuer and the Company under the provisions of this Section 9.12, the Issuer hereby grants the Company full authority on the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a Default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

SECTION 9.13. Subrogation Rights of Credit Provider. So long as there is no default under the Credit Facility, the Credit Provider shall be subrogated to the rights possessed under this Indenture by the Owners of the Bonds. For purposes of the subrogation rights of the Credit Provider hereunder, (a) any reference herein to the Owners of the Bonds shall mean the Credit Provider, (b) any principal or interest on the Bonds paid with moneys collected pursuant to the Credit Facility shall be deemed to be unpaid hereunder, and (c) the Credit Provider may exercise any rights it would have hereunder as the Owner of the Bonds. The subrogation rights granted to the Credit Provider in this Indenture are not intended to be exclusive of any other remedy or remedies available to the Credit Provider and such subrogation rights shall be cumulative and shall be in addition to every other remedy given hereunder, under the Credit Agreement or under any other instrument or agreement with respect to the reimbursement of moneys paid by the Credit Provider Lender under the Credit Facility or with respect to the security for the obligations of the Company under the Credit Agreement, and every other remedy now or hereafter existing at law or in equity or by statute.

SECTION 9.14. Undertaking for Costs. In any suit for the enforcement of any right) or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by ~~it~~ as to be taken by the Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorney's fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 9.14 does not apply to a suit by the Trustee, a suit by an Owner pursuant to Section 9.09 hereof, or ~~in~~ a suit by Owners of more than 10% in principal amount of the then Outstanding Bonds.

ARTICLE X.

TRUSTEE

SECTION 10.01 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults ~~which that~~ may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent person would exercise or use in the conduct of such person's own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Company) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the Project, or for collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or any lien waivers with respect to the Project, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Company under the Agreement except as hereinafter set forth; but the Trustee may require of the Issuer and the Company full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action ~~which that~~ any Bondholder may be entitled to take with like effect as if it were not the Trustee. The Trustee, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transactions with the Issuer or the Company and may act as a depository, trustee or agent for any committee of ~~Bondholders~~ the Owners of the Bonds secured hereby or other obligations of the Issuer as freely as if it were not the Trustee. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, opinion, instruction or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by an Issuer Representative or a Company Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which a Responsible Officer of the Trustee has been notified as provided in Section 10.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of such officials of the Issuer who executed the Bonds (or their successors in office) to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except for Defaults specified in subsections (a), (b), (c), (d) or (e) of Section 9.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such Default by the Issuer, the Credit Provider or by the Owners of at least fifty percent (50%) in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Issuer pertaining to the Project and the Bonds and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the

Trustee for the purpose of establishing the right of the Issuer or the Company to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action.

(l) Before suffering, taking or omitting any action under this Indenture or under the Agreement (other than (i) paying the principal or Purchase Price of, redemption premium (if any) and interest on the Bonds as the same shall become due and payable, (ii) drawing upon the Credit Facility, and (iii) declaring an acceleration under Section 9.02 as a result of a Default under Section 9.01(d) or (e)), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put in order to protect it against all liability, except liability which that is adjudicated to have resulted from its gross negligence or willful default in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent otherwise required herein or required by applicable law.

(n) The Trustee's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error of judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(r) The Trustee shall have no responsibility for any registration, filing, recording, reregistration or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds including, without limitation, any financing statements or continuation statements with respect thereto.

SECTION 10.02. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment as provided below in this Section 10.02 and by the Company of such fees as shall have been agreed in writing between the Company and the Trustee for its services rendered hereunder and reimbursement of all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in connection with such services

including, without limitation, the reasonable compensation, expenses and disbursements of its agents and counsel. The Company has agreed, in Section 7.2 of the Agreement, to indemnify the Trustee as provided therein. Upon the occurrence of a Default, but only upon the occurrence of a Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Trust Estate (exclusive of the proceeds of any drawing under the Credit Facility, proceeds of the remarketing of the Bonds, and funds held by the Trustee for matured and unrepresented Bonds) for the foregoing fees, charges and expenses of the Trustee. When the Trustee incurs expenses or renders services after the occurrence of an Act of Bankruptcy with respect to the Company, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. The Issuer shall have no liability to pay any fees, charges or other expenses of the Trustee hereinabove mentioned except from the amounts pledged under this Indenture. The rights of the Trustee under this Section shall survive the Trustee's resignation or removal and the termination of this Indenture.

SECTION 10.03. Notice to Owners of Bonds if Default Occurs. If a Default occurs of which the Trustee has been notified as provided in Section 10.01(h) hereof, or of which by ~~said subsection~~ it is deemed to have notice under Section 10.01(h), then the Trustee shall promptly give notice thereof to the Credit Provider and to the Owner of each Bond.

SECTION 10.04. Intervention by the Trustee. In any judicial proceeding which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners of the Bonds, the Trustee may intervene on behalf of the Owners of the Bonds and shall do so if requested in writing by the Credit Provider or the Owners of at least fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

SECTION 10.05. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 10.06. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days' notice to the Issuer, the Credit Provider, the Remarketing Agent and the Company. Such resignation shall not take effect (i) until the appointment of a successor Trustee or temporary Trustee and the transfer to said successor or temporary Trustee of the Credit Facility, and (ii) payment in full of all fees and expenses and other amounts payable to the Trustee pursuant thereto or the Agreement.

SECTION 10.07. Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds. Such removal shall not take effect until the appointment of a successor Trustee or temporary Trustee and the transfer to said successor or temporary Trustee of the Credit Facility.

SECTION 10.08. Appointment of Successor Trustee by Owners of Bonds. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of at least a majority in aggregate principal amount of Outstanding Bonds by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys-in-fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to the Issuer, the Company and the Credit Provider. In case of any such vacancy, the Issuer, by an instrument executed by its official who executed the Bonds or his successor in office, may appoint a temporary successor Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners of Bonds in the manner above provided; and such temporary successor Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee appointed by the Owners of Bonds. If no successor Trustee has accepted appointment in the manner provided in Section 10.09 hereof within sixty (60) days after notice of resignation or removal has been given, the Trustee, at the expense of the Company, may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee; provided that any Trustee so appointed shall immediately and without further act be superseded by a Trustee appointed by the Issuer or the Owners of Bonds as provided above. Every successor Trustee appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the trust upon customary terms, a bank or trust company within or without the State, in good standing and having reported capital and surplus of not less than \$50,000,000 and rated Baa3/Prime3 or better by Moody's (or a substantially equivalent rating by such other rating agency then providing the rating borne by the Bonds).

SECTION 10.09. Acceptance by Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the issuer and the Company an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but its predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee, upon payment of all amounts owed it hereunder, shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The Issuer shall cause notice of each appointment of a successor Trustee to be given by mailing written notice of such event by first class mail, postage prepaid, to each Bondholder. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

SECTION 10.10. Appointment of CoTrustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Agreement, and in particular in case of the enforcement thereof on Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or

remedies herein or therein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, the Trustee may appoint an additional individual or institution as a separate or CoTrustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture or the Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or CoTrustee, but only to the extent necessary to enable such separate or CoTrustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or CoTrustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or CoTrustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or CoTrustee, or a successor, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or CoTrustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or CoTrustee. Any CoTrustee appointed by the Trustee pursuant to this Section may be removed by the Trustee, in which case all powers, rights and remedies vested in the CoTrustee shall again vest in the Trustee as if no such appointment of a CoTrustee had been made.

The Trustee shall not be personally liable by reason of any act or omission of any CoTrustee hereunder.

SECTION 10.11. Successor Remarketing Agent.

(a) Any corporation or association into which the Remarketing Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become the successor Remarketing Agent hereunder, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(b) The Remarketing Agent may at any time resign by giving thirty (30) days' notice to the Issuer, the Trustee, the Credit Provider and the Company. Such resignation shall not take effect until the appointment of a successor Remarketing Agent.

(c) The Remarketing Agent may be removed at any time by an instrument in writing delivered to the Trustee by the Company, with the prior written approval of the Credit Provider. In no event, however, shall any removal of the Remarketing Agent take effect until a successor Remarketing Agent shall have been appointed.

(d) In case the Remarketing Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting as Remarketing Agent, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Company with the prior written approval of the Issuer and the Credit

ARTICLE XI.

SUPPLEMENTAL INDENTURES

SECTION 11.01. Supplemental Indentures Not Requiring Consent of Owners of Bonds. The Issuer and the Trustee may, with the consent of the Credit Provider and upon receipt of an opinion of Bond Counsel to the effect that the proposed supplemental indenture will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes and is authorized by this Indenture, and without consent of, or notice to, any of the Owners of Bonds, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Owners of Bonds any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners of Bonds or the Trustee;

(c) To subject to this Indenture additional revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental hereof in such manner as to permit the qualification hereof and thereof under the Trust indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;

(e) To evidence the appointment of a separate or CoTrustee or the succession of a new Trustee hereunder;

(f) To correct any description of, or to reflect changes in, any of the properties comprising the Trust Estate;

(g) To make any revisions of this Indenture that shall be required by Moody's or S&P in order to obtain or maintain an investment grade rating on the Bonds;

(h) To make any revisions of this Indenture that shall be necessary in connection with the Company or the Issuer furnishing a Credit Facility;

(i) To provide for an uncertificated system of registering the Bonds or to provide for changes to or from the Book-Entry System;

(j) To effect any other change herein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners of Bonds; or

(k) To make revisions to this Indenture that shall become effective only upon, and in connection with, the remarketing of all of the Bonds then Outstanding.

In the event S&P and/or Moody's has issued a rating of any of the Bonds, S&P and/or Moody's, as the case may be, shall receive prior written notice from the Trustee of the proposed

Provider. Every successor Remarketing Agent appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the duties of the Remarketing Agent upon customary terms, a bank or trust company or any entity rated Baa3/Prime3 or better, within or without the State, in good standing and having reported capital and surplus of not less than \$10,000,000 and rated Baa3/Prime3 or better by Moody's (or a substantially equivalent rating by such other rating agency then providing the rating borne by the Bonds). Written notice of such appointment shall immediately be given by the Company to the Trustee and the Trustee shall cause written notice of such appointment to be given to the Owners of the Bonds. Any successor Remarketing Agent shall execute and deliver an instrument accepting such appointment and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Remarketing Agent, but such predecessor shall nevertheless, on the written request of the Company, the Trustee or the Issuer, or of the successor, execute and deliver such instruments and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor all rights, powers, duties and obligations of such predecessor. If no successor Remarketing Agent has accepted appointment in the manner provided above within 90 days after the Remarketing Agent has given notice of its resignation as provided above, the Remarketing Agent may petition any court of competent jurisdiction for the appointment of a temporary successor Remarketing Agent; provided that any Remarketing Agent so appointed shall immediately and without further act be superseded by a Remarketing Agent appointed by the Company as provided above.

SECTION 10.12. Notice to Rating Agencies. The Trustee shall provide Moody's and S&P, so long as any of such rating agencies shall provide the rating borne by the Bonds, with prompt written notice following the effective date of such event of (i) any successor Trustee and any successor Remarketing Agent, (ii) any Substitute Credit Provider, (iii) any material amendments to this Indenture or the Agreement, (iv) the expiration, termination or extension of any Credit Facility, (v) the exercise of the Conversion Option, (vi) the occurrence of a Mandatory Tender Date, (vii) the redemption in whole of the Bonds or the payment in full of the Bonds at maturity, (viii) the defeasance of the Bonds, or (ix) the acceleration of the Bonds in connection with the nonreinstatement of the Credit Facility (in respect of interest), as provided in Section 9.01 (d) hereof.

The Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any Person for any failure to comply therewith.

amendment but such notice shall not be a condition of the effectiveness of such amendment.

SECTION 11.02. Supplemental Indentures Requiring Consent of Owners of Bonds. Exclusive of supplemental indentures permitted by Section 11.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise (except for rights granted under Section 9.13 hereof), the Credit Provider and the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section or in Section 11.01 hereof contained shall permit, or be construed as permitting, without the consent of the Credit Provider and the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of, or the interest on, any bond issued hereunder, or (b) a reduction in the principal amount or Purchase Price of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (t) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice to be prepared by the Company of the proposed execution of such supplemental indenture to be given to the Credit Provider and to the Owners of the Bonds in the manner provided in Section 13.04 of this Indenture; provided, that prior to the delivery of such notice, the Trustee shall require that an opinion of Bond Counsel be furnished to the effect that the supplemental indenture complies with the provisions of this Indenture and will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners of Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the Credit Provider and the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right 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 execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing, the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event S&P and/or Moody's has issued a rating of any of the Bonds, S&P and/or Moody's, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment but such notice shall not be a condition of the effectiveness of such amendment.

During any Credit Facility Period, the Credit Provider shall be deemed the Owner of the Bonds for the purpose of this Section 11.02.

SECTION 11.03. Consent of the Company. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Company shall have consented to the execution and delivery of such supplemental indenture.

SECTION 11.04. Amendment without Consent of Issuer. In the event the Issuer is unable to enter into any supplemental indenture permitted by this Article, the Trustee may, without the consent of the Issuer, amend or supplement this Indenture in any manner otherwise permitted by this Article so long as such supplemental indenture does not adversely affect the rights of the Issuer.

SECTION 11.05. Execution of Amendments and Supplements by Trustee. The Trustee shall not be obligated to sign any amendment or supplement to this Indenture or the Bonds pursuant to this Article if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee shall be entitled to receive, and shall be fully protected in relying on, an opinion of Bond Counsel stating that such amendment or supplement is authorized by this Indenture, and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE XII.

AMENDMENT OF AGREEMENT

SECTION 12.01. Amendments to Agreement Not Requiring Consent of Owners of Bonds. The Issuer and the Trustee may, with the consent of the Credit Provider (during any Credit Facility Period) and upon receipt of an opinion of Bond Counsel to the effect that the proposed amendment will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes and is authorized by this Indenture, and without the consent of or notice to the Owners of Bonds, consent to any amendment, change or modification of the Agreement as may be required (i) by the provisions of the Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Agreement, (iii) so as to more precisely identify the Project, or to substitute or add additional improvements or equipment to the Project or additional rights or interests in property acquired in accordance with the provisions of the Agreement, (iv) to enter into an indenture or indentures supplemental hereto as provided in Section 11.01 hereof, (v) to make any revisions that shall be required by Moody's and/or S&P in order to obtain or maintain an investment grade rating on the Bonds, (vi) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners of Bonds or (vii) to make revisions thereto which shall be effective only upon, and in connection with, the remarketing of all of the Bonds then Outstanding.

SECTION 12.02. Amendments to Agreement Requiring Consent of Owners of Bonds. Except for the amendments, changes or modifications as provided in Section 12.01 hereof (subject to subrogation rights granted to the Credit Provider under Section 9.13 hereof), neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Agreement without mailing of notice (during any Credit Facility Period) to the Credit Provider and the Owners of at least two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds, provided that the consent of the Owners of all Bonds Outstanding is required for any amendment, change or modification of the Agreement that would permit the termination or cancellation of the Agreement or a reduction in or postponement of the payments under the Agreement or any change in the provisions relating to payment thereunder. If at any time the Issuer and the Company shall request the consent of the Trustee and the Credit Provider to any such proposed amendment, change or modification of the Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice, to be prepared by the Company, of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.02 hereof with respect to supplemental indentures; provided, that prior to the delivery of such notice or request, the Trustee and the Issuer may require that an opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of this Indenture and will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax Purposes. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Owners of Bonds.

ARTICLE XIII.

MISCELLANEOUS

SECTION 13.01. Consents of Owners of Bonds. Subject to the provisions of Section 2.15 hereof, any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners of Bonds may be in any number of concurrent documents and may be executed by such Owners of Bonds in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 2.12 hereof.

SECTION 13.02. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Credit Provider and the Owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Credit Provider and the Owners of the Bonds as herein provided.

SECTION 13.03. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 13.04. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer:

Nassau County, Florida
26 South 5th Street
Fernandina Beach, Florida 32031
Attention: Michael S. Mullin, Esq.

If to the Trustee:

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Attention: Corporate Trust
Trustee Administration

if to the Company:

Rayonier Inc.
1177 Summer Street
Stamford, Connecticut 06905
Attention: Corporate Secretary

If to the Credit Provider:
N.A.

~~SunTrust Bank, Atlanta~~
~~Bank of America,~~
~~N.A.~~
~~SunTrust Banks, Inc.~~
~~711 Fifth Avenue~~
~~16th Floor~~
~~New York, New York 10022~~
~~Attention: May Smith~~
~~CA5-705-12-12~~
~~555 California Street, 12th Floor~~
~~San Francisco, CA 94104-1503~~

with copies to:

~~SunTrust Bank, Atlanta~~
~~c/o SunTrust International Services, Inc.~~
~~25 Park Place, 16th Floor~~
~~Atlanta, Georgia 30303~~
~~Attention: Letters of Credit Department~~
~~Bank of America, N.A.~~
~~CA9-703-19-23~~
~~333 S. Beaudry Avenue, 19th Floor~~
~~Los Angeles, CA 90017~~

If to the Remarketing Agent:

Morgan Stanley Dean Witter
1221 Avenue of the Americas, 30th Floor
New York, New York 10020
Attention: Jay Sweeney

If to Moody's:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: Corporate Department,
Structured Finance Group

If to S&P:

Standard & Poor's Corporation
25 Broadway
New York, New York 10004
Attention: Corporate Finance Department

A duplicate copy of each notice required to be given hereunder by any person listed above shall also be given to the others. The Issuer, the Company, the Trustee, the Remarketing Agent and the Credit Provider (including the issuer of any Substitute Credit Facility), may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Except for those writings requiring original signatures, any written notice, instruction or confirmation required hereunder may be provided by facsimile transmission, promptly confirmed in writing.

SECTION 13.05. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for purchase or redemption of any Bonds shall not be a Business Day, then payment of principal, Purchase Price, premium, if any, or interest need not be made on such date but

may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for purchase or redemption.

SECTION 13.06. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of such shall constitute but one and the same instrument.

SECTION 13.07. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State, provided however, that the rights, privileges, protections and immunities of the Trustee shall be governed by and construed in accordance with the laws of the State of New York. It is the intention of the Issuer and the Trustee that the situs of the trust created by this Indenture be, and it be administered, in the state in which is located the Principal Office of the Trustee from time to time acting under this Indenture.

SECTION 13.08. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Indenture and not solely to the particular portion in which such word is used.

SECTION 13.09. Captions. The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

SECTION 13.10. No Personal Liability. Notwithstanding anything to the contrary contained herein or in any of the Bonds or the Agreement, or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future member, commissioner, director, trustee, officer, employee or agent of the Issuer, or of any incorporator, member, commissioner, director, trustee, officer, employee or agent of any successor to the Issuer, in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his individual capacity, either directly or through the Issuer or any successor to the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his individual capacity, is hereby expressly waived and released.

SECTION 13.11. Certain References Ineffective Except During a Credit Facility Period. Except during a Credit Facility Period and during the period immediately after a Credit Facility Period until receipt by the Trustee of a certificate from the Credit Provider stating that all amounts payable to the Credit Provider under the Credit Agreement have been paid in full, all references to the Credit Provider, the Credit Agreement or the Credit Facility in the Agreement, this Indenture and the Bonds shall be ineffective.

IN WITNESS WHEREOF, the Issuer has caused these presents to be executed in its name by its duly authorized official; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officer, as of the date first above written.

NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners
J. H. COOPER

(SEAL)

Attest:

By: _____
Title: Ex Officio Clerk, Board of
County Commissioners
J. M. OXLEY, JR.

Approved as to form by the
Nassau County Attorney

MICHAEL S. MULLIN, Esquire

THE BANK OF NEW YORK, as Trustee

By: _____
Authorized Officer

EXHIBIT "A"

FORM OF BOND

THIS BOND IS SUBJECT TO MANDATORY TENDER BY THE REGISTERED OWNER FOR PURCHASE AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN.

[THIS BOND SHALL BEAR INTEREST AT THE RATE OF % PER ANNUM, PAYABLE ON 1 AND 1, UNTIL 1, .] [ON SUCH DATE THIS BOND IS SUBJECT TO MANDATORY TENDER FOR PURCHASE IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN.]

' This legend to appear only on the face of Bonds bearing interest at a Long Term Rate or the Fixed Rate.

' This legend to appear only on face of Bonds bearing interest at Long Term Rate for period ending before the maturity of the Bonds.

No. _____

UNITED STATES OF AMERICA
NASSAU COUNTY, FLORIDA
POLLUTION CONTROL PRIVATE ACTIVITY REFUNDING REVENUE BONDS
SERIES 19992002
(RAYONIER PROJECT),

MATURITY DATE: ~~October 1, 2008~~ _____ DATED DATE: April
, 1999
INTEREST PERIOD: _____ CUSIP: _____
REGISTERED OWNER: _____ PRINCIPAL AMOUNT: _____

[The Legend in the two paragraphs immediately following shall appear so long as the Book-Entry System described in Section 2.15 of the Indenture has not been discontinued.]

THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY BOND ISSUED THAT IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS BOND IS SUBJECT TO MANDATORY TENDER FOR PURCHASE AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN.

Nassau County, Florida (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to the Registered Owner identified above on the Maturity Date set forth above, upon surrender hereof, the Principal Amount set forth above, and in like manner to pay interest on said sum at the rates and on the dates described below, from the dated date as set forth above and thereafter from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof to which interest has been paid or duly provided for, unless the date of authentication hereof is an Interest Payment Date to which interest has been paid or duly provided for, in which

case from the date of authentication hereof, or unless no interest has been paid or duly provided for on the Bonds (as hereinafter defined), in which case from the dated date of the Bonds, until payment of the principal hereof has been made or duly provided for. Notwithstanding the foregoing, if the date of authentication of this Bond is after that day which is the Business Day next preceding any Interest Payment Date, during the Short Term Period (as hereinafter defined), or the fifteenth day of the calendar month next preceding any Interest Payment Date, during any Long Term Period (as hereinafter defined) or Fixed Rate Period (as hereinafter defined) (the "Record Date") and before the following Interest Payment Date, this Bond shall bear interest from such Interest Payment Date; provided, however, that if the Issuer shall default in the payment of interest due on such Interest Payment Date, then this Bond shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Bonds, from the dated date of the Bonds. The principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York, New York, New York, as trustee (together with its successors in trust, the "Trustee"), or at the duly designated office of any successor Trustee under the Indenture of Trust dated as of April ~~May 1, 1999~~2002, between the Issuer and the Trustee (as from time to time amended and supplemented, the "Indenture"). Payment of interest on this Bond shall be made on each Interest Payment Date to the Registered Owner hereof as of the applicable Record Date and shall be paid by check mailed by the Trustee to such Registered Owner at his address as it appears on the registration books of the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner, or in such other manner as may be mutually acceptable to the Trustee and the Registered Owner of this Bond. The Purchase Price (as hereinafter defined) of this Bond shall be payable by the Trustee, to the Registered Owner hereof at his address as it appears on the registration books of the Trustee or at such other address as may be specified by such Registered Owner in writing at least 24 hours prior to the time such Purchase Price is due. The Bonds shall bear interest at the Short Term Rate, the Long Term Rate or the Fixed Rate (each as hereinafter defined), as the same shall be determined from time to time, pursuant to the Indenture, plus interest on overdue installments of interest, to the extent permitted by law, at the rate of interest borne by the Bonds. During the Short Term Period, interest shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be. During the Long Term Period and the Fixed Rate Period, interest shall be calculated on the basis of a 360-day year comprised of twelve 30 day months. Anything herein contained to the contrary notwithstanding, during any Interest Period (as hereinafter defined) with respect to which the Company (as hereinafter defined) has furnished a letter of credit, line of credit, insurance policy or other credit facility as permitted in the Agreement (as hereinafter defined) (a "Credit Facility") to provide payment of the principal and Purchase Price of and interest on the Bonds (a "Credit Facility Period"), the Short Term Rate, the Fixed Rate or the Long Term

Rate shall not exceed 10% per annum. During the Short Term Period, the Bonds shall be issuable as fully registered Bonds without coupons in the denomination of \$100,000, or any integral multiple of \$5,000 in excess thereof. During any Long Term Period or Fixed Rate Period, the Bonds shall be issuable as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

During the Short Term Period interest shall be paid on the first day of the next succeeding Interest Period and the maturity date of the Bonds (the "Short Term Interest Payment Date"); provided the term Short Term Interest Payment Date shall mean the first day of the calendar month. During any Long Term Period interest shall be paid on the first day of the sixth calendar month after the beginning of the Long Term Period, the first day of each sixth calendar month thereafter until the end of the Long Term Period

and the maturity date of the Bonds (the "Long Term Interest Payment Date"). During any Fixed Rate Period, interest shall be paid on the sixth calendar month after the beginning of the Fixed Rate Period and the first day of each sixth calendar month thereafter until the maturity date of the Bonds (the "Fixed Rate Interest Payment Date"). Each of the Short Term Interest Payment Dates, the Long Term Interest Payment Dates and the Fixed Rate Interest Payment Dates are referred to herein as an "Interest Payment Date." Each of the Short Term Period, the Fixed Rate Period and the Long Term Period are referred to herein as an "Interest Period."

THIS BOND AND THE ISSUE OF WHICH IT IS A PART AND THE PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT PURSUANT TO THE AGREEMENT (AS HEREINAFTER DEFINED), INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE PAYMENT OF THE BONDS. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, NOR THE TAXING POWER OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

This Bond is one of an authorized issue of bonds limited in aggregate principal amount to \$23,300,000 (the "Bonds"), issued pursuant to the Indenture for the purpose of providing funds to refinance the issuer's outstanding \$23,300,000 Pollution Control Refunding Revenue Bonds (ITT Rayonier Incorporated Project), Series 1989~~92~~, the proceeds of which were used to fund a loan made to ITT Rayonier Incorporated, a Delaware corporation, predecessor of Rayonier, Inc., a North Carolina corporation authorized to do business in the State of Florida (the "Company") to finance the refunding of the Pollution Control Revenue Bonds (~~ITT Rayonier Project~~), Series 1974, 1976 Installment (ITT Rayonier Project) of Ocean Highway and the Port Authority (the "Project") and paying necessary expenses incidental thereto. The proceeds of the Bonds will be loaned by the Issuer to the Company, pursuant to a Loan Agreement dated as of ~~April~~May 1, 1999~~2002~~ (as from time to time amended and supplemented, the "Agreement"), between the Issuer and the Company. Under the Agreement, the Company is obligated (except as hereinafter provided) to make payments which are sufficient to pay the principal and Purchase Price of, premium, if any, and interest on the Bonds as the same shall become due in accordance with their terms and provisions and the terms and provisions of the Indenture.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture, pursuant to which all payments due from the Company to the Issuer under the Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Issuer) are assigned to the Trustee to secure the payment of the principal and Purchase Price of, and premium, if any, and interest on

the Bonds. The Company has caused to be delivered to the Trustee an irrevocable letter of credit (together with any Substitute Credit Facility, the "Credit Facility") issued by SunTrust Bank, Atlanta (in such capacity, the "Bank") and dated the date of issuance and delivery of the Bonds, which will expire, unless earlier terminated or extended, on ~~April~~ May, 2002. Subject to certain conditions, the Credit Facility may be replaced by a substitute Credit Facility under the terms and conditions set forth in the Agreement and the Indenture. Under the Credit Facility, the Trustee will be entitled to draw up to an amount sufficient to pay (a) the principal of the Bonds and (b) up to 45-.....days' accrued interest on the Bonds.

Reference is hereby made to the Indenture for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds and the terms upon which the Bonds are issued and secured. All capitalized terms used, but not defined, are defined in the Indenture and are used herein in the same manner and with the same meaning as in the Indenture.

For so long as the Bonds are held in a book-entry only system and so long as a Securities Depository or its nominee is the Registered Owner of the Bonds, references herein to the Registered Owners shall mean such Securities Depository and not the beneficial owners. Neither the Trustee, the Issuer nor the Company shall be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants.

The transfer of this Bond may be registered by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Issuer and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for all purposes, and neither the Issuer nor the Trustee shall be bound by any notice or knowledge to the contrary.

Short Term Period. From the date of issuance of this Bond until the next following Conversion Date and from any subsequent Conversion Date after which the Bonds will bear interest at a Short Term Rate until the next following Conversion Date, the Bonds shall bear interest at the Short Term Rate in effect for the Short Term Period. The Short Term Rate for (a) the period from the date of issuance and delivery of the Bonds to and including the next succeeding Tuesday (unless the Bonds are issued and delivered on a Tuesday, in which case the first Interest Period shall include only such Tuesday) and (b) any period of time of one week's duration, provided that the period commences on Wednesday of each week and continues through Tuesday of the following week the "Short Term Period"), will be determined by the Remarketing Agent on the first day of the Short Term Period, as follows: the interest rate for the Short Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of 100% of the Outstanding principal amount of the Bonds on such date (the "Short Term Rate").

If the Company has exercised the Conversion Option to convert the Bonds to a Short Term Period, the Company shall instruct the Remarketing Agent, not later than the

30th day prior to the Conversion Date, to determine the Short Term Rate on the basis of the Short Term Period in exercising the Conversion Option.

The determination of the Short Term Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Short Term Rate for the Short Term Period, the Bonds shall bear interest during the Short Term Period at a rate equal to the BMA Municipal Swap Index in effect on the day on which the short Term Rate of the Bonds was to be set.

Long Term Period. From any Conversion Date after which the Bonds will bear interest at a Long Term Rate until the next following Conversion Date or the maturity of the Bonds, the Bonds will bear interest at a Long Term Rate, as hereinafter described.

The Long Term Rate for any period of time that is an integral multiple of twelve (12) calendar months in duration (provided that in all events the period must begin on the first day of the first calendar month and end on the last day of a calendar month or upon maturity), as determined by the Company (each a "Long Term Period"), will be determined by the Remarketing Agent, as follows: the interest rate for each Long Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on the date of such determination (the "Long Term Rate"). The Long Term Rate shall be determined by the Remarketing Agent not later than the fifth day next preceding the commencement of such Long Term Period.

The Company is authorized to determine the duration of each Long Term Period. In that connection, the Company shall instruct the Remarketing Agent, not later than the 30th day prior to the commencement of such Long Term Period, to determine the Long Term Rate on the basis of a Long Term Period ending on a specified date that is the last day of any calendar month that is an integral multiple of twelve (12) calendar months from the beginning of such Long Term Period or upon maturity. If the Company fails to deliver a letter from Bond Counsel, as described in the Indenture, the Bonds shall continue in a Long Term Period of the same duration as the previous Long Term Period, but in no event later than the maturity of the Bonds.

The determination of the Long Term Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Long Term Rate for any Long Term Period, the Bonds shall be deemed to be in the Short Term Period and the initial Short Term Rate shall be a rate equal to the BMA Municipal Swap Index in effect on the day on which the Long Term Rate on the Bonds was to be set.

Fixed Rate Period. From any Conversion Date after which the Bonds will bear interest at a Fixed Rate until the maturity date of the Bonds, the Bonds will bear interest at a Fixed Rate, as hereinafter described.

The Fixed Rate for any period of time that is an integral multiple of twelve (12) calendar months in duration (provided that in all events the period must begin on the first day of the first calendar month and end upon maturity), as determined by the Company (the "Fixed Rate Period"), will be determined by the Remarketing Agent as follows: the interest rate for the Fixed Rate Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account

prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on the date of such determination (the "Fixed Rate"). The Fixed Rate shall be determined by the Remarketing Agent not later than the fifth day preceding the commencement of such Fixed Rate Period.

The Company shall instruct the Remarketing Agent, not later than the 30th day prior to the commencement of such Fixed Rate Period, to determine the Fixed Rate on the basis of a Fixed Rate Period ending upon the maturity of the Bonds. If the Company fails to deliver to the Trustee the letter of Bond Counsel, as described in the Indenture, the Bonds shall continue to bear interest for an Interest Period of the same duration as the Interest Period last in effect, with the interest rate for such Interest Period to be determined as provided in this Indenture.

The determination of the Fixed Rate (absent manifest error) shall be conclusive and binding upon the Issuer, the Company, the Trustee, the Credit Provider (if any), and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Fixed Rate for the Fixed Rate Period, the Bonds shall be deemed to be in the Short Term Period and the Short Term Rate shall be a rate equal to the BMA Municipal Swap Index in effect on the day on which the Fixed Rate on the Bonds was to be set.

Conversion Option. The Company shall have the option (the "Conversion Option") to direct a change in the type of Interest Period to another type of Interest Period by delivering to the Trustee and the Remarketing Agent written instructions setting forth (i) the Conversion Date, (ii) the new type of Interest Period, (iii) if the new type of Interest Period is a Short Term Period or a Long Term Period, the duration of such period and (iv) whether such Interest Period will be a Credit Facility Period. If the new Interest Period is a Long Term Period or a Fixed Rate Period and will be a Credit Facility Period, such instructions will be accompanied by a Substitute Credit Facility, or by an amendment to the existing Credit Facility, providing for the payment of the redemption premium (if any) on the Bonds during such Long Term Period or Fixed Rate Period. Such instructions shall be delivered at least thirty (30) days prior to the first day of such new Interest Period. With such instructions the Company shall furnish to the Trustee an opinion of Bond Counsel to the effect that such change in Interest Period will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds. The delivery by the Company to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Company notification described above on the Conversion Date is a condition precedent to the change in the type of Interest Period. In the event that the Company fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Bonds shall continue in the Interest Period in place at the time of exercise of the Conversion Option.

Any change in the type of Interest Period must comply with the following: (i) the Conversion Date must be the day following the end of an Interest Period and (ii) no change in Interest Period shall occur after an Event of Default shall have occurred and be continuing.

Mandatory Tender for Purchase of Bonds on Mandatory Purchase Date. The Bonds shall be subject to mandatory tender by the Registered Owners thereof for purchase on (a) each Conversion Date, (b) the first day of any Long Term Period, (c) the Interest Payment Date immediately before the Credit Facility Termination Date, (d) the Interest Payment Date concurrent with the effective date of a Substitute Credit Facility, and (e) the first Interest Payment Date following the occurrence of a Determination of Taxability for which the Trustee can give notice of mandatory tender in accordance with the Indenture (each a "Mandatory Purchase Date").

The Trustee shall deliver or mail by first class mail a notice in substantially the form required by the Indenture at least five days prior to the Mandatory Purchase Date.

Any notice given by the Trustee as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for purchase as to any Registered Owner to whom proper notice is mailed.

On each Mandatory Tender Date, Registered Owners of Bonds shall be required to tender their Bonds to the Trustee for purchase by 10:00 A.M. New York City time at a purchase price equal to 100% of the principal amount of the Bonds tendered or deemed tendered (the "Mandatory Purchase Price"), and any such Bonds not so tendered on the Mandatory Purchase Date ("Untendered Bonds"), for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay the Purchase Price of the Untendered Bonds, shall be deemed to have been purchased pursuant to the Indenture. In the event of a failure by a Registered Owner of Bonds to tender its Bonds on or prior to the Mandatory Purchase Date by the requisite time, said Registered Owner shall not be entitled to any payment (including any interest to accrue subsequent to the Mandatory Purchase Date) other than the Purchase Price for such Untendered Bonds, and any Untendered Bonds shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the Purchase Price therefor.

Demand Purchase Option. Any Bond bearing interest at the Short Term Rate shall be purchased from the Registered Owners thereof at a purchase price equal to 100% of the principal amount of the Bond tendered or deemed tendered, plus accrued and unpaid interest thereon to the date of purchase (such purchase price, together with the Mandatory Purchase Price, the "Purchase Price"), upon: (a) delivery to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (i) states the aggregate principal amount and Bond numbers of the Bonds to be purchased; and (ii) states the date on which such Bonds are to be purchased, which date shall be a Tender Date not prior to the seventh day next succeeding the date of delivery of such notice; and (b) delivery to the Trustee at its Delivery Office at or prior to 10:00 A.M. New York City time on the date designated for purchase in the notice described in (a) above of such Bonds to be purchased, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank, and if such Bonds are to be purchased prior to the next succeeding Interest Payment Date and after the Record Date in respect thereof, a due bill, payable to bearer, for interest due on such Interest Payment Date.

"Tender Date" means (a) during the Short Term Period, the seventh day (unless such day is not a Business Day, in which case the next Business Day) following receipt by the Trustee of notice from the Registered Owner that such Registered Owner has elected to tender Bonds.

Extraordinary Redemption. During any Long Term Period or Fixed Rate Period, the Bonds are subject to redemption in whole by the Issuer, at the option of the Company, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date, in the event all or substantially all of the Project shall have been damaged or destroyed, or there occurs the condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project as to render it, in the judgment of the Company, unsatisfactory for its intended use for a period of time longer than one year.

Optional Redemption by the Company. During the Short Term Period, the Bonds are subject to redemption by the Issuer, at the option of the Company in whole at any time or in part on any Interest Payment Date, less than all of such Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

On any Conversion Date, the Bonds are subject to redemption by the Issuer, at the option of the Company in whole or in part, less than all such Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to the redemption date.

During any Long Term Period or Fixed Rate Period, the Bonds are subject to redemption by the Issuer, at the option of the Company, on or after the First Optional Redemption Date, in whole at any time or in part on any Interest Payment Date, less than all of such Bonds to be selected by lot or in such other manner as the Trustee shall determine, at the redemption prices (expressed as percentages of Principal amount) set forth in the following table plus accrued interest to the redemption date:

| Redemption Dates | Redemption Price |
|---|------------------|
| First Optional Redemption Date through the last day of the twelfth calendar month following such First Optional Redemption Date | 102% |
| First anniversary of the First Optional Redemption Date through the last day of the twelfth calendar month following such first anniversary | 101% |
| Second anniversary of the First Optional Redemption Date and thereafter | 100% |

During any Long Term Period or the Fixed Rate Period, the Bonds shall be subject to mandatory redemption prior to maturity by the Issuer in whole and not in part on the earliest practicable date for which notice can be given following the occurrence of a Determination of Taxability, at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any to the redemption date.

"First Optional Redemption Date" means, with respect to a Long Term Period or a Fixed Rate Period less than or equal to five (5) years, the first day of the 24th calendar month from the beginning of such Long Term Period or Fixed Rate Period, with respect to a Long Term Period or a Fixed Rate Period greater than five (5) years but less than or equal to ten (10) years, the first day of the 60th calendar month from the beginning of such Long Term Period or Fixed Rate Period, and with respect to a Long Term Period or a Fixed Rate Period greater than ten (10) years, the first day of the 72nd calendar month from the beginning of such Long Term Period or Fixed Rate Period.

In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date

fixed for redemption to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for redemption as to any Registered Owner to whom proper notice is mailed. No further interest shall accrue on the principal of any Bond called for redemption after the date of redemption if moneys sufficient for such redemption have been deposited with the Trustee. Notwithstanding the foregoing, the notice requirements contained in the first sentence of this paragraph may be deemed satisfied with respect to a transferee of a Bond which has been purchased pursuant to the Demand Purchase Option after such Bond has previously been called for redemption, notwithstanding the failure to satisfy the notice requirements of the first sentence of this paragraph with respect to such transferee, as more fully provided in the Indenture.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 159, Part II, Florida Statutes, as amended (the "Act"), and by appropriate action duly taken by the Issuer which authorizes the execution and delivery of the Agreement and the Indenture. The Bonds have been issued under the provisions of the Act.

No Registered Owner of any Bond has the right to compel any exercise of taxing power of the Issuer to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provision.

Notwithstanding anything to the contrary contained herein or in the Indenture, the Agreement, or in any other instrument or document executed by or on behalf of the Issuer in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future member, commissioner, director, trustee, officer, employee or agent of the Issuer, or of any incorporator, member, commissioner, director, trustee, officer, employee or agent of any successor to the Issuer, in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his individual capacity, either directly or through the Issuer or any successor to the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such person, in his individual capacity, is hereby expressly waived and released.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, unless certain circumstances described in the Indenture shall have occurred. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and

the rights of the Registered Owners of the Bonds at any time by the Issuer with the consent of the Credit Provider and the Registered Owners of a majority in aggregate principal amount of the Bonds at the time outstanding. During any Credit Facility Period, the Credit Provider shall be deemed the Registered Owner of the Bonds. Any such consent or any waiver by the Credit Provider and the Registered Owners of a majority in the aggregate principal amount of the Bonds shall be conclusive and binding upon the Registered Owner and upon all future Registered Owners of this Bond and of any Bond issued in replacement hereof whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions which, subject to certain conditions, permit or require the Trustee to waive certain past defaults under the Indenture and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Agreement and pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee, as authenticating agent.

IN WITNESS WHEREOF, the Nassau County, Florida has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman, and its corporate seal to be impressed or printed hereon and attested by the manual or facsimile signature of its Clerk~~Assistant Secretary~~.

NASSAU COUNTY, FLORIDA

By: _____
Chairman, Board of County Commissioners

(SEAL)

Attest:

By: _____
Ex Officio Clerk, Board of
County Commissioners

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture of Trust.

THE BANK OF NEW YORK,
as Trustee

By: _____
Authorized Signatory

(Form for Transfer)

FOR VALUE RECEIVED, _____ the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof; with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

(Authorized Officer)
Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

FORM OF NOTICE FROM TRUSTEE TO OWNER
REGARDING MANDATORY PURCHASE DATE

[Name and address of Owner]

Re: \$23,300110,000 Nassau County, Florida Pollution Control Private
Activity Refunding Revenue Bonds (Rayonier Project), Series
19992002

The undersigned authorized signatory of The Bank of New York, as Trustee with respect to the captioned Bonds (the "Bonds"), pursuant to the provisions of Section 4.01 of that certain Indenture of Trust (the "Indenture"), dated as of ~~April~~ May 1, 19992002, by and between Nassau County, Florida and the Trustee, does hereby notify you that the Bonds are subject to mandatory tender on (the "Mandatory Purchase Date"). All owners of Bonds shall be deemed to have tendered their Bonds for purchase on the Mandatory Purchase Date and shall no longer be entitled to the benefits of the Indenture; interest will cease to accrue on such Bonds for the benefit of the owners of the Bonds on and after the Mandatory Purchase Date. The Bonds should be delivered to the Trustee at 101 Barclay Street, Floor 7E, New York, New York 10286, Attention: Corporate Debt Operations on .

This _____ day of _____, _____

THE BANK OF NEW YORK, as Trustee

Title:

(Form for Transfer)

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____ the _____ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

(Authorized Officer)
Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.