

OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA
RESOLUTION NO. 2019-R03

A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA TO CLARIFY DUE DATES FOR ANNUAL AND PERIODIC PAYMENTS AND NON-ACCRUAL OF INSURANCE OFFSETS UNDER THE CURRENT OPERATING AGREEMENT WITH NASSAU TERMINALS, INC. AND THE FULL PERFORMANCE OF ALL PAYMENT OBLIGATIONS UNDER THE PRIOR OPERATING AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS the Ocean Highway and Port Authority, Nassau County, Florida (hereinafter OHPA) is and has been in contract with Nassau Terminals, Inc. under certain operating agreements;

WHEREAS certain ambiguities might exist in the past and former operating agreements regarding payment obligations, due dates for payments, and accrual of insurance offsets;

WHEREAS the parties to the operating agreements desire to further specify the obligations imposed upon one another by the operating agreements to avoid ambiguities and clarify their relationship;

WHEREAS Nassau Terminals, Inc., on behalf of its, successors, and assigns, agrees with, consents to, and agrees to be bound by the actions taken by OHPA via this resolution, as evidenced by its consent hereto set forth below.

NOW THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA THAT:

Section 1. All payment obligations between the parties to that certain Operating Contract between OHPA and Nassau Terminals, Inc. dated December 1, 1990, as amended, are fully satisfied and no further payments are due by either party under that contract nor does any party have any offsets or other rights related to that contract that carry over or survive beyond October 19, 2018, including any rights related to the repayment of the prior bonds issued by OHPA.

Section 2. Payment obligations under that certain Operating Agreement (hereinafter the Operating Agreement) between OHPA and Nassau Terminals, Inc. (hereinafter Operator) dated October 19, 2018 begin as of November 1, 2018.

Section 3. Operator's payment obligations under §§ 6.1, 6.4, and 6.5 of the Operating Agreement are payable in advance. Payments due under § 6.1 are due on October 1, January 1, April 1, and July 1. Payments due under §§ 6.4 and 6.5 are due on the first day of each month.

Section 4. As of the effective date of this Resolution, Nassau Terminals, Inc. owes a pro-rated payment under § 6.1 of the Operating Agreement for the period from November 1, 2018 through December 31, 2018 of \$42,644.93 as well as the payment due on January 1, 2019 of \$62,918.75. These payments shall be made no later than the closing of the anticipated bond issuance or April 30, 2019, whichever comes first. Thereafter, payments are due as set forth in § 3 of this Resolution and the Operating Agreement.

Section 5. As of the effective date of this Resolution, Nassau Terminals, Inc. owes \$30,000 under § 6.4 of the Operating Agreement. These payments shall be made no later than the closing of the

anticipated bond issuance or April 30, 2019, whichever comes first. Thereafter, payments are due as set forth in § 3 of this Resolution and the Operating Agreement.

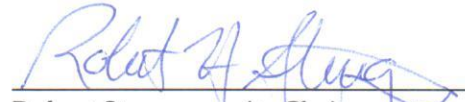
Section 6. Under § 4.4 of the Operating Agreement, the Operator may only reimburse itself for the cost of insurance premiums with Facility Use Fees that would otherwise be payable to OHPA under the Operating Agreement. Operator does not have any other rights of offset or reimbursement for insurance premiums. If sufficient Facility Use Fees are not available in a fiscal year to reimburse Operator for all premiums paid during that fiscal year, then Operator may offset such premiums as can be offset based upon available Use Fees, however, such further reimbursement rights shall not carry over to a subsequent fiscal year nor shall reimbursement rights accumulate year over year.

Section 7. As part of its cooperation and support obligations in § 10.1 of the Operating Agreement, Operator will bear the cost of additional auditing required by grant procurement under the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Florida Single Audit Act and Chapter 10.550 Rules of the Auditor General.

Section 8. This Resolution will become effective upon adoption.

RESOLVED FURTHER THAT the Ocean Highway and Port Authority, Nassau County, Florida hereby adopts the foregoing Resolution, dated this 10 day of April, 2019.

OCEAN HIGHWAY AND PORT AUTHORITY,
NASSAU COUNTY, FLORIDA

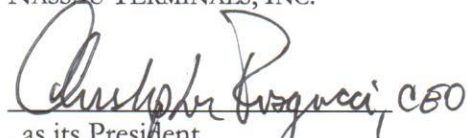

Robert Sturgess, as its Chairman

ATTEST:


, as its Secretary

CONSENTED TO THIS 10th DAY OF April, 2019 BY:

NASSAU TERMINALS, INC.


, as its President