RESOLUTION NO. 09-96

A RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (STONE CONTAINER CORPORATION PROJECT), SERIES 1996 OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF NAVAJO, ARIZONA AND DECLARING AN EMERGENCY.

WHEREAS, the Board of Supervisors of the County of Navajo, Arizona (the "County") has heretofore approved the incorporation of The Industrial Development Authority of the County of Navajo, Arizona (the "Issuer"); and

WHEREAS, the Issuer has approved the issuance and sale of its Industrial Development Revenue Bonds (Stone Container Corporation Project), Series 1996 in an original principal amount not to exceed $20,000,000 (the "Bonds"), to finance that portion of a containerboard manufacturing enterprise that is used for solid waste disposal, recycling and reuse (the "Project") which solid waste facility is or will be operated by Stone Container Corporation (the "Company"); and

WHEREAS, the Industrial Development Financing Act, being Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), requires, in Section 35-721.B thereof, that the proceedings of the Issuer pursuant to which the Issuer proposes to issue bonds include a requirement for the approval by the governing body of the County of the issuance of bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the "applicable elected representative" approve issuance of the Bonds after a public hearing following reasonable public notice published in advance of said hearing; and

WHEREAS, a public hearing was held by the Issuer in accordance with the requirements of the Code on March 11, 1996 with respect to the financing and the results thereof have been reported to the Board of Supervisors of the County; and

WHEREAS, the Issuer has heretofore delivered to the Board of Supervisors of the County the form of the bond documents (listed on Exhibit A hereto) pursuant to which the Bonds are to be issued and information regarding the Project to be financed from the proceeds of the Bonds and the Board of Supervisors of the County deems it appropriate to approve the issuance of the Bonds by the Issuer; and

WHEREAS, it is necessary for the immediate preservation of the peace, health and safety of the County that this resolution become immediately effective.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF NAVAJO, AS FOLLOWS:

Section 1. The Board of Supervisors of the County hereby approves the issuance of the Bonds by the Issuer, as provided in the bond documents of the Issuer presented to this meeting and annexed hereto as Exhibit A (which documents may be revised in accordance with

the Issuer's Resolution), in accordance with the requirements of the Act and of Section 147(f) of the Code as the applicable elected representative, not to exceed the maximum original aggregate face amount of $20,000,000.

Section 2. The proceedings of this County approving the incorporation of the Issuer were conducted in accordance with the Act and such proceedings are hereby confirmed and approved in all respects and the members of the Board of Directors of the Issuer serving in such capacities on the date of adoption of this Resolution were duly elected to and are serving in such positions.

Section 3. The various County officers and employees are authorized and directed to take all actions necessary to effectuate the purposes of this resolution.

Section 4. All resolutions or ordinances, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 5. It is necessary for the preservation of the public peace, health and safety of the County of Navajo, Arizona that this resolution become immediately effective, thus, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage, adoption and approval and it is hereby exempt from the referendum provisions of the Constitution and the laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Navajo, Arizona, this 11th day of March, 1996.

Chairman, Board of Supervisors
Navajo County, Arizona

EXHIBIT A

The Industrial Development Authority
of the County of Navajo, Arizona
Industrial Development Revenue Bonds
(Stone Container Corporation Project)
Series 1996

1. Resolution of the Authority adopted March 11, 1996 authorizing issuance of the Bonds.

2. A Trust Indenture dated as of March 1, 1996 between the Authority and the financial institution serving as Trustee thereunder.

3. A Loan Agreement dated as of March 1, 1996 between the Authority and the Company.