

AGREEMENT FOR PURCHASE AND SALE
OF DIRT IN PLACE

Agreement made December 11, 1987, between RAYONIER
TIMBERLAND OPERATING COMPANY, L.P., Limited Partnership, a Delaware
corporation doing business in Florida, whose mailing address is P.O. Box
728, Fernandina Beach, Nassau County, Florida 32034, hereinafter
referred to as Seller, and Nassau County 32034 whose mailing
address is P. O. Drawer 1010, Fernandina Beach, FL hereinafter referred to
as Buyer.

1. Materials Sold: In consideration of the price, and the terms
and provisions of this Agreement, Seller hereby grants and conveys to
Buyer the right to excavate and remove fill from a specific tract of
land. The general location of the tract from which the fill is to be
taken is indicated upon EXHIBIT A, attached hereto and incorporated
herein by this reference, which, for convenience, is hereinafter referred
to as the Site. Fill materials consist of the sand, dirt, topsoil and
rock (hereinafter for convenience, referred to as dirt), existing as is,
where is, on the Site. Non-useable material such as muck or dirt with
excessive organic content, debris, and vegetative matter from the Site
shall be disposed of in a manner approved in advance by the Rayonier
Forest Tract Manager.

2. Price, Volume, Accountability, and Payment: The Buyer will pay
Seller \$.45 per cubic yard for approximately 25,000 cubic
yards for dirt. The Buyer will complete and deposit in a lock box on
site a load ticket for each load of dirt hauled from the site. The load
tickets will be supplied by Seller. The information supplied on the load
ticket by the Buyer will serve as an accounting for the cubic volume
hauled on each load. The Seller will periodically collect the load
tickets and invoice the Seller monthly based on RTOC's fiscal month.
Payment is due to Seller within 10 days of receipt of invoice.

3. TERM: RIGHT OF ENTRY: Buyer shall have the right to enter on
the Site at any and all times within TWELVE (12) MONTHS, commencing
July 15, 1987. If the Buyer wishes to extend the term for an
additional ONE (1) YEAR, notification of such desire shall be given in
writing to Seller not less than SIXTY (60) DAYS prior to the expiration
of this Agreement. Extension of the term is NOT a matter of right, and
Seller may, in its unqualified discretion, deny any such extension
request, inasmuch as the removal of the dirt by this Agreement is not an
estate or paramount encumbrance upon the Site, but a mere license to
obtain and purchase material, as goods, by and under the terms of this
Agreement. If extended, dirt will be sold based on a price to be agreed
upon by the Buyer and Seller.

4. MACHINERY AND EQUIPMENT: Buyer shall have the additional right of using the site for the purpose of erecting any and all equipment that it may need to remove such dirt, and the right to grade roads or other rights of way to any and all points on the land necessary to or useful for the loading and removal of the dirt. Buyer shall also have the right to place on the site all necessary machinery, and structures required by it in connection with its operations, with the right and obligation to remove all such machinery, equipment, and structures within TEN (10) DAYS after termination of this agreement.

5.0 TITLE AND REPRESENTATIONS:

5.1 Title: Seller warrants sufficient title and right to sell the dirt on its land, and further warrants that the dirt in place is free and clear of any liens, and will remain free and clear of any liens arising under or by reason of Seller which would impair removal and use of the dirt.

5.2 Representations: Seller makes no representation nor warranty to Buyer with respect to the quality or composition of any of the dirt, nor the conditions that may exist in connection with accessing and loading the dirt.

6. USE OF LAND BY SELLER: Seller shall at all times during the term of this agreement have the use of any and all parts of the above described land for any and all purposes.

7. SECURITY: Buyer agrees to establish and maintain its own security system upon all areas being used by Buyer, without denying use of the area to Seller.

8.0 SPECIFICATIONS:

8.1 Buyer or Buyer's agents or contractors shall see to it that all of Buyer's crews or agent's contract crews have proper supervision at all times.

8.2 Dirt removal shall be done only in designated areas and only by the use of reasonable care and common sense, to avoid damage to the adjacent ditch and forest lands of Seller, and to any roads into or on the site.

8.3 Buyer will use all reasonable care to avoid damaging any standing timber, but any portion of any tree which falls in any woods road, graded road, fireline, road ditch or across any fence shall be removed immediately. Fences damaged will be repaired immediately.

8.4 It is specifically understood and agreed that Buyer shall exercise due care and caution to avoid damage to, or destruction of, timber upon the lands described above by fire or otherwise.

8.5 The parties shall exercise all reasonable precautions in relation to fire protection and shall cooperate one with the other in preventing, suppressing and extinguishing fires on or threatening the land described.

8.6 Pit will be dug to a minimum depth of 16 feet.

8.7 All completed sides of the pit will be sloped at 4:1.

9.0 ENVIRONMENTAL COMPLIANCE:

9.1 Laws: Buyer shall, during the period of its removal of dirt pursuant to this Agreement, promptly observe and comply with all applicable laws, ordinances, requirements, orders, directives, rules and regulations of any Federal, State or local governmental authority having jurisdiction, whether the legal controls or restraints are in force at the commencement of this Agreement or may be enacted and validly asserted during the term.

9.2 Environmental Control: Buyer agrees that all trash, cans, bottles or other clean trash or garbage left on the above-described lands as a direct or indirect result of operations will be removed. Under no circumstances whatsoever will any carcinogenic, controlled, toxic or hazardous substance or material, or a container presently holding or formerly holding such substance(s), be permitted to drain, or percolate on or into, or be stored, dumped, buried, or otherwise contaminate, the Site or any other land adjacent to or in the vicinity of this Site. There shall be no obligation or requirement by Seller to monitor Buyer's environmental management of the Site, however, if under any form of law, ordinance, regulation or standard in effect at the inception of this Agreement, or arising during the term, Seller should have cause to be concerned about Buyer's existing or continued compliance with any environmental laws, codes, regulations or standards then in effect which could in any manner affect the usefulness, useability, or marketability of the parcel of land, then Seller at its discretion may require additional assurance appropriate to the risk or offense, which may take the form of bonding, certified professional audits or opinions, insurance, indemnity, removal of all or portions of any waste deposited, construction of monitoring systems, or such other technical, legal or financial, or mixed, forms of assurance as may reasonably relate to solving or minimizing the impact of the situation.

10. GENERAL INDEMNITY: Buyer agrees to hold harmless Seller against any and all claims of loss, damages, liability or other expenses of any nature, character and kind that may arise out of, be connected with, or occur as a result of Buyer's operations on the above described Site, and to be responsible for taking out and/or maintaining adequate workmen's compensation insurance and other forms and types of liability insurance; to fully hold harmless and protect Seller from any and all liability arising from Buyer's operation of any nature, character and kind specifically including, but not limited

to, any charge or claim arising at any time under the "Environmental Control" provision of Section 9.2, above; and, as to any expense incurred by Seller in defense of any such claim, to indemnify Seller therefor, whether such expense be for reasonable attorney's fees, damages of any sort or otherwise; furthermore, to furnish Seller or its representatives evidence of such insurance, with limits of not less than \$1,000,000 bodily injury, and \$500,000 property damage, covering all operations under this contract, and to immediately settle and pay any and all valid demands, claims or liens of Buyer's employees or the employees of any other person, persons or firms engaged to perform labor upon, or supply materials to, the Site. Buyer shall likewise reimburse Seller for any reasonable expenses and attorney's fees which Seller shall incur in the defense of any claims of a third party arising out of any act of Buyer while performing its operations under this Agreement. Buyer shall be responsible for the acts of its agents, officers and employees and shall hold Seller harmless from all damages and claims of damage to the property or persons of others, whether third parties or employees of Buyer, arising out of, or connected with, the operations performed under this Agreement.

11. DEFAULT: If Buyer fails to perform any obligation, or breaches any provision, of this Agreement, and fails to remedy the situation to the reasonable satisfaction of Seller after notice and demand for cure, then Seller may declare this Agreement to be in default and, at its option, (1) terminate the contract, or (2) compel specific performance of the contract, or (3) suspend the right to remove dirt from the Site until the default has been remedied, or (4) with prior notice to Buyer, cure or proceed to cure, at Buyer's expense, or (5) such other form of relief as may be available by law or equity or both.

12.0 MISCELLANEOUS

- 12.1 Any dispute arising under the terms of this Agreement shall be submitted for resolution upon written demand to an Arbitrator mutually agreed to by the parties, or, if they are unable to agree upon the Arbitrator within TEN (10) DAYS, to a panel of three Arbitrators, one each appointed by the parties, and the two arbitrators so selected shall name a third within 10 working days, or, in default thereof, the third shall be named by the Arbitration Committee of the American Arbitration Association. The arbitration shall be conducted pursuant to the laws of Florida and the procedural rules of the American Arbitration Association, shall proceed with due dispatch to resolution and award, and the award shall be evidenced by a writing capable of being filed and enforced through the Court System of Florida. Nothing shall give the arbitrators the power or authority to alter, amend, change, modify, add to or subtract from any of the written terms of this Agreement. The arbitrator shall determine the allocation of costs, in which allocation specific regard shall be afforded to the merits, or lack thereof of the question presented and the defenses thereto. Any arbitration shall take place in Nassau County or at any other place mutually agreed upon.

12.2 Should either party give notice to the other, then such notice shall be by certified or registered mail, postage prepaid, addressed to the parties as follows:

In the case of Seller:

ITT RAYONIER INC.
Southeast Forest Resources
Post Office Box 728
Fernandina Beach, Florida 32034

In the case of Buyer:

Nassau County
P. O. Drawer 1010
Fernandina Beach, FL 32034

12.3 Venue for any action arising under this Agreement is stipulated for the Court District including Nassau, Florida whether State or Federal.

12.4 This Agreement constitutes the entire agreement of the parties and the same may not be amended or modified orally. All understandings, representations and undertakings heretofore had between the parties are fully expressed in this Agreement. This Agreement may not be amended, in any respect whatever, except by further agreement in writing duly executed by the parties hereto. All consents herein required must be in writing.

12.5 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, except this Agreement shall not be assigned by Buyer without the written consent of Seller. This document shall not be recorded in the Official Records, but a memorandum notice, in form approved in advance of recording and acceptable to Seller's counsel, may be recorded.

IN WITNESS WHEREOF the parties have thus agreed, this Agreement being effective as of the date stated below, notwithstanding prior or subsequent execution of this Agreement by either party.

RAYONIER TIMBERLANDS OPERATING COMPANY, L.P.
Limited Partnership,

BY: RAYONIER FOREST RESOURCES COMPANY
Managing General Partner:

BY: *[Signature]*
Authorized Individual

NASSAU COUNTY

BY: *[Signature]*