

PURCHASE AND SALE AGREEMENT

March 27, 2000

Receipt is hereby acknowledged by **RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., Limited Partnership** (the "SELLER") of the sum of \$5,200.00 ("deposit") from **BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA, a Political Subdivision of the State of Florida** (the "BUYER"), as a deposit and as a part of the purchase price on account of the BUYER's offer to purchase from the SELLER the real property of approximately 129 acres in Nassau County, Florida, and, generally depicted on **EXHIBIT A** (the "land" or "sale premises").

W I T N E S S E T H

The SELLER hereby agrees, under threat of condemnation, to sell, and the BUYER hereby agrees to buy, the land on the following terms and conditions:

1. **PURCHASE PRICE**: (to be adjusted ratably at the rate of \$ 7,200.00 per acre by certified survey) \$ _____

PAYMENT

- (a) Deposit (applied at closing) \$ 5200.00
- (b) Balance to close, (via wire transfer to Seller's bank account) subject to adjustments and prorations \$ _____ .00

2. **DEED**. It is understood that the land, including all timber and forest products, will be conveyed by SPECIAL WARRANTY DEED limiting the SELLER's warranties to claims arising by, through or under the SELLER and subject to current taxes, any existing cemeteries, easements, servitudes, covenants, restrictions, zoning ordinances,

rights-of-way, outstanding mineral interests, riparian rights, title to lands lying below the mean high water line of any bodies of water, and licenses. No warranty as to exact acreage will be made.

3. **SELLER'S COSTS**. The SELLER shall pay for the SELLER's attorney's fees, the preparation of the deed and documentary stamp tax on the deed.

4. **BUYER'S COSTS**. The BUYER will pay all other closing costs, including any sales tax imposed on the transfer of personal property, title examination fees, title insurance premium, the survey referred to in Section 8, and all recording or filing fees.

5. **TAXES; RENTS**. Ad valorem taxes for the year of closing shall be prorated as of the closing date based on the amount of the latest taxes assessed against the land, less the maximum discount for early payment.

6. **TITLE EXAMINATION AND CLOSING**.

(a) The SELLER shall convey to BUYER a good and marketable fee simple title by SPECIAL WARRANTY DEED, subject to the matters previously herein stated. The BUYER shall have until **Thirty(30) days prior to closing** to examine the title. The parties agree that if the title is such as would permit Chicago Title Insurance Company, (or comparable title insurance company mutually agreeable to both parties) to insure the title consistent with its underwriting standards, on standard forms, for its usual fee, and subject to exceptions for the items set forth in this Purchase and Sale Agreement, then said title shall be conclusively presumed to be good and marketable as to all matters covered by said policy and not excepted from it. The title search, and the title policy (if acquired), shall be at BUYER's expense.

(b) If the title examination shows that the SELLER is vested with good and marketable title to the land, subject to the reservations and exceptions and criteria noted in sub-section (a), above, the transaction shall be closed and the SELLER and BUYER shall perform the agreements made herein as soon as possible thereafter.

(c) If the title examination reveals any defects which render the title unmarketable, the BUYER shall give to the SELLER written notice of such defects no later than **Thirty(30)days prior to closing**. The SELLER shall have the right to cure such defects, but shall not be required to do so. If the defects are cured, this transaction shall be closed within the time allowed for closing hereunder.

(d) If the SELLER is unable to convey to the BUYER marketable title to the land, the BUYER shall have the right to demand and receive from the SELLER all sums deposited hereunder, at the same time abandoning any legal or equitable rights in the land to the SELLER and returning to the SELLER any title evidence, surveys or other similar documents received from the SELLER and the BUYER's copy of this agreement, whereupon all rights and liabilities of the parties hereunder shall cease and determine; or the BUYER shall have the right to accept such title as the SELLER may be able to convey, and to close this transaction upon the other terms as stated herein.

(e) The closing of the purchase and sale of the land shall be held at such location in Nassau County as the SELLER may specify to the BUYER upon reasonable notice. The closing may be conducted by or through counsel for SELLER or BUYER as the parties may agree between themselves.

(f) **Closing shall occur no later than JUNE 15, 2000**; however, upon 31 day prior written notice to SELLER, the BUYER shall be allowed to extend time of closing until no later than August 15,2000. If closing does not occur within such time for any reason whatsoever, then all rights of the parties BUYER hereunder shall automatically cease. Unless otherwise provided herein all moneys deposited with the SELLER hereunder shall become the property of the SELLER, the sum being agreed to be reasonable liquidated damages. Thereupon, the BUYER shall forthwith return to the SELLER any title evidence, surveys, or similar documents received from the SELLER and the BUYER'S copy of this agreement; BUYER shall promptly pay all contractors or agents employed by it to complete its due diligence; BUYER shall indemnify and hold SELLER harmless from any all liens imposed on the land resulting from its due diligence.

7. **SURVEY**. The BUYER shall cause a closed traverse survey of the land to be made by a registered Florida surveyor and delivered to the SELLER no less than **21(twenty-one)** days prior to closing. The legal description of the land shall be based on such survey. Minor encroachments or similar defects not materially diminishing the value

of the land shall not be deemed to render title to the land unmarketable but, at the election of the BUYER, the portion of land thereby affected shall be deleted from the conveyance and the purchase price shall be reduced ratably according to the acreage affected by such minor encroachment or defect. The survey shall conform to SELLER's standard survey specifications attached hereto at Exhibit C.

8. **RECORDING.** Both parties agree that this Agreement shall **not** be recorded in the Public Records in the County where land is located; a memorandum notice of this agreement in form mutually agreed upon between the parties may be recorded.

9. **POSSESSION/INSPECTION.**

(a) The BUYER shall have the right to enter upon and take possession of the land from the date of closing.

(b) For inspection of the land to determine its suitability for BUYER's intended purposes, BUYER is provided access to the land from inception of negotiations and continuing for a period of sixty days from date of execution of this agreement, upon the express condition that BUYER shall hold harmless the SELLER from any cost, charge, claim or mechanics lien imposed on the land arising under or by reason of either: (1) work performed at or upon the land by engineers, environmental consultants, surveyors or other agents or contractors of BUYER performing services at the request of BUYER, and furthermore (2) any personal injury or property damage suffered at, or upon or in reference to work performed upon the land by BUYER, or the employees, agents, contractors or invitees of BUYER having access to the land under or by reason of this license.

10. **REPRESENTATIONS AND WARRANTIES OF THE SELLER.** The SELLER hereby represents and warrants to the BUYER that as of closing:

(a) It is a limited partnership qualified to do business and in good standing in Florida;

(b) It has the corporate authority and power, without the necessity of consent by any person to enter into and carry out the terms of this agreement;

(c) It is not a party to any actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, affecting any portion of the land or relating to or arising out of the ownership of the land, in any court or before or by any federal, state, or local agency or other governmental instrumentality; there are no such actions, suits or proceedings pending;

(d) Relative to services or work undertaken on the land at its direction: all bills for labor, services materials, and utilities, and all trade accounts, which could in any way adversely affect title to the land, are current; however, no representation or warranty is given relative to work or services undertaken by BUYER in furtherance if its due diligence/ site inspection, survey of or preliminary engineering;

(e) Relative to services or work undertaken on the land at its direction: no work has been done upon, or materials delivered to, the land prior to the date hereof which are not fully paid for, nor does any person, firm or corporation now have, nor shall it have after notice or passage of time, or otherwise, any lien or rights with respect to the land or any part or parcel thereof as the result of services performed on, or materials delivered to, the land; however, no representation or warranty is given relative to work or services undertaken by BUYER in furtherance if its due diligence/ site inspection, survey of or preliminary engineering;

(f) No person, firm or other legal entity whatsoever, other than the SELLER, has any contract right or option whatsoever to acquire the land or any portion or portions thereof or any interest or interests therein;

(g) The execution and delivery of this agreement and the consummation of the transactions contemplated herein shall not and do not constitute a violation or breach by the SELLER of any provisions of any agreement or other instrument to which it is a party or to which it may be subject although not a party, or result in or constitute a violation or breach of any judgment, order, writ, injunction or decree issued against the SELLER; and

(h) It has not engaged any broker or agent in connection with the sale of the land.

(i) **DISCLAIMER:** Except for the warranty of title to be contained in the Special Warranty Deed to be executed by the SELLER, SELLER has not made, does not make, and has not authorized anyone else to make any representations as to:

- (1) the present or future physical conditions or suitability of the land; or
- (2) the availability of roadway access, water, sewer, or electrical, gas or other utility services; or
- (3) the location of the land or any portion thereof within any flood plan, evacuation zone, flood-prone area, or watershed; or
- (4) the number of acres of the land, or square footage of the building; or
- (5) the current or future zoning classification; or
- (6) applicable state, federal or local land use restrictions, regulations, or covenants; or
- (7) any other matter or thing affecting or relating to the land or to its suitability for any purpose whatsoever other than the historic purpose for which the land was used by the SELLER.

SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, RELATING TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LAND, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY RELATING TO THE CONDITION OF THE LAND, ITS SUITABILITY FOR THE BUYER'S PURPOSES OR THE STATUS OF THE LAND UNDER LOCALLY APPLICABLE LAW FOR ANY PURPOSE OTHER THAN SELLER'S HISTORIC USE. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, THE LAND IS TO BE CONVEYED BY SELLER AND ACCEPTED BY BUYER "AS IS, WHERE IS" AS OF THE TIME OF CLOSING.

11. **REPRESENTATIONS AND WARRANTIES OF THE BUYER.** The BUYER hereby represents and warrants to the SELLER that as of closing:

(a) The execution and delivery of this agreement and the transactions contemplated herein have been duly authorized;

(b) The execution and delivery of this agreement and the consummation of the transactions contemplated herein shall not and do not constitute a violation or breach by the BUYER of (i) its articles or incorporation or bylaws, if the BUYER is a corporation, (ii) any provision of any agreement or other instrument to which it is a party

or to which it may be subject although not a party, or (iii) any judgment, order, writ, injunction or decree issued against the BUYER; and

(c) It is not a party to any actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, affecting any portion of the land or relating to or arising out of any contractual rights or interest in the land, in any court or before or by any federal, state, or local agency or other governmental instrumentality; there are no such actions, suits or proceedings threatened or pending;

(d) It has not engaged any broker or agent in connection with the purchase of the land and will protect and hold harmless SELLER from any claims, losses, damages, suits or proceedings, including attorneys fees, for commissions, fees or comparable brokerage arrangements arising by or under BUYER, from any person or entity whatsoever.

12. **CONDITIONS TO THE SELLER'S OBLIGATIONS.** The obligations of the SELLER hereunder are subject to satisfaction of the following conditions as of the date of closing:

(a) The representations and warranties of the BUYER contained herein shall be true and correct in all material respects; and partnership;

(b) The BUYER shall not be in material default of any of its obligations under this agreement; and

(c) The SELLER's counsel shall have received all documentation previously herein stated, in form and substance satisfactory to SELLER's counsel.

13. **BUFFER.** Buyer agrees to maintain in perpetuity, a native vegetative buffer in ground cover, midstory, and overstory along the boundary line of no less than 50 ft wide along property boundaries generally depicted on Exhibit A.

14. **ACCESS ROADS.**

(a) BUYER acknowledges that in order to accommodate its preferred land configuration SELLER must convey as part of this transaction, land necessary for SELLER to access real property owned by it that is not

conveyed in this transaction. As a material condition of this sale and forming an element of consideration thereof, BUYER agrees to establish and dedicate to the public an access road in location generally depicted upon Exhibit B, which shall allow SELLER, its successors and assigns, full unrestricted road access to SELLER's property for the business purposes of the SELLER, its successors and assigns, including, but not limited to, all forest management activities. The access road shall be established at time of closing as a graded, rural road conforming at a minimum to all County standards and specifications for rural roads; the access road shall be established within right-of-way no less than 100ft in width at location in area generally depicted upon Exhibit B and shall be field verified and agreed to by BUYER and SELLER prior to establishment. BUYER agrees to pave such road within two years of closing.

(b) In the event of BUYER's breach or anticipatory breach any of the obligations of this Section or the preceding Section 13 regarding buffers, and such breach or anticipatory breach continues for more than 10 days from the date written notice is mailed to BUYER, to the address listed in this Agreement, or at such other address provided to SELLER by BUYER, BUYER shall indemnify and hold harmless SELLER for any and all costs, (including attorney's fees) incurred by SELLER to legally compel performance or cure said breach.

15. **CONDITIONS TO OBLIGATIONS OF THE BUYER.** The obligations of the BUYER hereunder are subject to satisfaction of the following conditions as of the date of closing:

(a) The representations and warranties of the SELLER contained herein shall be true and correct in all material respects and the BUYER shall have received an officer's certificate to such effect, if requested within thirty (30) days prior to closing;

(b) The SELLER shall not be in default of any of its obligations under this agreement; and

(c) The BUYER shall have received a title commitment showing marketable title to the land subject to the matters referred to in paragraph 6(a), and the exceptions, reservations and covenants as would arise in the Special Warranty Deed by reason of this Agreement.

16. **TIMBER RESERVATION.** The sale price includes all standing timber and forest products as of the date of contract execution; SELLER

agrees to waive its standard timber reservation at closing. In consideration of the amount paid as deposit, SELLER agrees to forego its usual and customary silvicultural activities from the date of contract execution (including site preparation activities scheduled for Spring 2000) during the pendency of this Agreement. The full amount paid as deposit shall be credited to amount to be paid by BUYER at Closing for purchase of the land. In the event of contract termination Seller shall be entitled to retain the deposit as liquidated damages for loss of timberland productivity resulting from delay in completing planned silvicultural activities during the contract term.

17. DUE DILIGENCE AND ENVIRONMENTAL ACCOUNTABILITY.

(a) This transaction is a commercial transaction by which a tract of land presently used as commercial forest has been valued by and through negotiations between BUYER and SELLER. SELLER represents that the land was purchased by its predecessor in title, ITT Rayonier Incorporated pursuant to acquisitions in 1937, from A.J. and K.H. Stone, and used by it as commercial forestlands. To SELLER's best information and belief, ITT Rayonier's predecessor likewise used the land. The records of SELLER do not reflect use on the land of any regulated industrial chemical compounds or constituents, other than gasoline, diesel fuel, oil and grease, solvents and/or detergents as might be used ancillary to operation of motor vehicles upon or across the land in connection with commercial forestry use. SELLER has no knowledge of any past or present use by consent or by trespass of the land for disposal of hazardous, toxic, carcinogenic or mutagenic chemicals. SELLER has no knowledge of any claim or notice of violation of any Federal, State or local law, regulation or ordinance governing the use, handling, storage or disposition at or upon the land of any chemical having contaminant characteristics.

(b) The BUYER has had the opportunity to examine the land from the inception of negotiations of this Purchase and Sale Agreement through present. All rights therein granted are hereby extended for a sixty day period from the date of this Agreement for BUYER to complete all due diligence activities. BUYER and its representatives are granted the right to enter upon the land to conduct such environmental tests, inspections, samplings, surveys, investigations, and inquiries with respect to the suitability of the property as BUYER deems necessary for its intended purposes and for investigation of zoning and land use restrictions and permitting requirements therefore. BUYER shall indemnify and hold SELLER harmless from any and all

claims, causes of action, cost, loss, liability or damages (including court costs and attorneys' fees) sustained in connection with BUYER'S exercise of the rights herein granted, arising from any cause whatsoever except the sole negligence or willful misconduct of SELLER, subject to the provisions of Section 768.28 Florida Statutes if applicable to BUYER. It is the BUYER'S responsibility to have the site investigation completed prior to closing.

If the BUYER'S site investigation reveals chemical contamination which would mandate remediation under US/EPA, or FL/DEP, laws or regulations or if BUYER deems any result of its due diligence investigation unsuitable in any matter which in the reasonable opinion of BUYER may adversely effect suitability of the property for BUYER'S intended use, the BUYER as its exclusive remedy shall provide immediate notice thereof to the SELLER together with all data /information regarding contamination or other matter rendering the land unsuitable for BUYER'S intended use, and SELLER shall have the right, but not the obligation, to address said data/information provided by BUYER for a period of 30 days from BUYER'S notification to SELLER; and, if not mutually resolved (i.e., through "carve-out", reconfiguration of sale tract or remediation by SELLER, etc.) this Agreement shall expire without further obligation on either party under this Agreement, Buyer abandoning any legal or equitable rights in the land and returning to the SELLER any title evidence, surveys or other similar documents received from the SELLER and the BUYER'S copy of this Agreement, whereupon all rights and liabilities of the parties hereunder shall cease. BUYER agrees to tender and assign to SELLER BUYER'S site investigation report including testing and support data.

If on the other hand BUYER does not elect to undertake a site investigation, or BUYER'S site investigation is undertaken and the report reveals (a) no contamination, or (b) only trace constituents of chemicals (whether consistent or inconsistent with SELLER'S disclosure) and not mandating remediation, then this Purchase and Sale Agreement shall proceed to closing. The results of BUYER'S groundwater environmental assessment and such other environmental assessment that it undertakes shall be included in a report prepared by BUYER'S environmental consultant, which shall be provided to SELLER and which the parties shall acknowledge and accept as being representative of the condition of the sale premises at the time of transfer from the SELLER. At closing the land shall be conveyed from SELLER to BUYER, and as between the BUYER and SELLER, for themselves, and their respective successors and assigns, the conveyance by deed shall create the presumption that any contamination of soils, groundwaters, or air as may thereafter be found to exist shall be the

result of BUYER's use and occupation of the land, or that of the successors of BUYER whether by title, use or occupation, for which the SELLER shall thereafter be held harmless and blameless by BUYER, its successors and assigns, in any proceeding.

(c) Following closing, BUYER hereby agrees to indemnify, defend and hold SELLER and SELLER's directors, officers, shareholders, employees, affiliates, assigns and successors harmless from any claims (including without limitation third party claims including any governmental body or agency for personal injury or real or personal property damage) judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses including attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), consultant fees and expert fees that arise directly or indirectly from or in connection with the operation of the sale premises or the condition of the sale premises, including but not limited to the presence, suspected presence, release or suspected release of any hazardous substance of any kind, whether into the air, soil, surface water, groundwater, pavement, structures, tanks, containers, or other personal property at or on the sale premises or any other real property adjacent thereto in which BUYER has or may acquire any interest. The indemnities described in this Subsection (c) shall endure for a period of two years from closing and herein specifically include but are not limited to claims or causes of action arising under the Federal Resource Conservation and Recovery Act (RCRA, 42 U.S.C. 6901 et seq. together with all amendments, and re-enactments, thereto) and under the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA/Superfund/SARA, 42 U.S.C. 9601 et seq., together with all amendments, and re-enactments thereto.)

18. **HUNTING RIGHTS.** The Nassau River Hunt Club has been granted a license from SELLER to hunt upon certain property that includes the sale premises. **Thirty (30) days prior to Closing,** SELLER shall notify Nassau River Hunt Club of termination of its hunting license upon the sale premises, which termination shall become effective on the date of closing. **BUYER, its agents and representatives who come upon the land under authority of the provision of this Agreement, are hereby put on notice of the existence of said Hunt Club License Agreement. BUYER, its agents or representatives are advised to use all due care and caution at all times while upon the land to protect itself with regards to the hunting activities of said licensees.**

19. **GOVERNING LAW.** This Agreement, and any ancillary agreements shall be governed by and enforced in accordance with the laws of the State of Florida.

20. **ENTIRE AGREEMENT.** This agreement sets forth the entire agreement between the SELLER and the BUYER with respect to the purchase and sale of the land and the terms of this agreement may be amended only by a writing signed by both the SELLER and the BUYER.

21. **COUNTERPARTS.** This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

22. **BROKER'S FEES.** The SELLER and BUYER each agrees to indemnify and defend the other against any claims, losses, damages, suits, or proceedings, including costs and attorneys' fees (whether or not suit be brought and whether at trial or appeal) on account of any broker's fee or commission owing or alleged to be owing in connection with the purchase and sale of the land.

23. **NOTICES.** Notices required or permitted by this agreement shall be given to the BUYER at Board of County Commissioners, attn: Michael S. Mullin, County Attorney, P.O. Box 456, Fernandina Beach, Florida 32034 and to the SELLER at Rayonier, attn: Mary J. Berger, Assistant General Counsel, Rayonier Inc. , Law Department, 501 Centre Street (P.O. Box 723), Fernandina Beach, Florida 32034. Notices sent by first class, certified mail, properly stamped and addressed, shall be deemed to have been received upon deposit in the United States mail.

24. **TIME OF ESSENCE.** Time shall be of the essence of this Agreement.

25. **NO ASSIGNMENT.** The rights of the BUYER hereunder may not be assigned by the BUYER without the express written consent of the SELLER, which shall not be unreasonably withheld. Any assignment of such rights by the BUYER shall not affect the rights of the SELLER hereunder or the obligations of the BUYER to the SELLER hereunder.

26. **BINDING EFFECT**. This agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the SELLER and the BUYER, when executed by both the SELLER and the BUYER. The term "BUYER" shall include any assignee of the BUYER.

27. **WAIVER**. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any party's right to demand exact compliance with the terms hereof; provided, however, that any party may, at its sole option, waive any requirement, covenant or condition herein established for the benefit of such party without affecting any of the other terms and provisions of this agreement.

28. **EXHIBITS AND INCORPORATED PROVISIONS**. This Purchase and Sale Agreement includes and incorporates the following additional documents, which are incorporated herein by this reference:

EXHIBIT A (sale premises depicting vegetive buffer areas)

EXHIBIT B (sale premises depicting access road)

EXHIBIT C (survey specifications)

ADDENDUM A (subsurface rights)

29. **SURVIVING PROVISIONS**. The provisions of Sections 13, 14, 17, 22 and 29, and other obligations of the parties not actually carried out by the time of closing and noted on the closing statement or other agreement executed by the parties at closing, shall survive the closing and not be merged into the deed of conveyance. All other provisions of this Agreement shall be merged into the delivery of the deeds of conveyance and shall not survive closing.

30. **ACCEPTANCE**. Should this contract not be accepted, signed and returned to SELLER on or before **5:00 p.m. ET on the 20th day of April 2000**, said contract shall be deemed null and void.

31. **CONTRACT EXTENSION**. The parties acknowledge and agree that if this Agreement is extended for any reason beyond the Closing date of June 15, 2000, that SELLER shall not be obligated to sell at the sale price herein stated for any mutually agreed to closing date that extends beyond November 15, 2000.

THIS DOCUMENT CONSTITUTES AND PRESENTS FOR BUYER'S REVIEW THE USUAL TERMS UNDER WHICH SELLER, RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., LIMITED PARTNERSHIP, WILL CONSIDER OFFERS FROM POTENTIAL BUYERS FOR REAL ESTATE PURCHASE REQUESTS, AND DOES NOT CONSTITUTE AN OFFER BY SELLER TO SELL THE LAND IDENTIFIED HEREIN ON THE STATED TERMS, OR UPON ANY TERMS. THIS DOCUMENT WILL BE TREATED AS AN AGREEMENT OF PURCHASE AND SALE ONLY WHEN SIGNED BY THE SELLER AND BUYER.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., LIMITED PARTNERSHIP
by its Managing General Partner
RAYONIER TIMBERLANDS MANAGEMENT INC

WITNESSES:

Deleene B. Bocale
Deleene B. Bocale (print)

Kathryn P. Terwilliger
Kathryn P. TERWILLIGER (print)

By: *W.D. Ericksen* (sign)
W. D. ERICKSEN
Vice President

AUTHORIZATION
CAPR 879
LEGAL 1097

WITNESSES:

Joan G. Blanchard
JOAN G. BLANCHARD (print)

Connie Arthur
CONNIE ARTHUR (print)

**BOARD OF COUNTY COMMISSIONERS,
NASSAU COUNTY, FLORIDA**
A Political Subdivision
Of The State Of Florida

Nick D. Deonas (sign)
NICK D. DEONAS
Its: Chairman

ATTEST:

J.M. Oxley, Jr.
J.M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

APPROVED AS TO FORM BY THE
NASSAU COUNTY ATTORNEY

Michael S. Mullin
MICHAEL S. MULLIN

ADDENDUM A

TO PURCHASE AND SALE AGREEMENT

RAYONIER INC., f/k/a ITT RAYONIER INCORPORATED, owner by reservation of subsurface rights in the land (129 +/- acres located in Nassau County, Florida) which is the subject of a Purchase and Sale Agreement between Rayonier Timberlands Operating Company, L.P. (as SELLER) and the BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA (as BUYER), agrees, contingent upon performance between SELLER and BUYER through closing of the Purchase and Sale Agreement, to relinquish by QuitClaim to BUYER the subsurface estate of ITT Rayonier Incorporated as to this 129+/- acres of land.

RAYONIER INC.
(f/k/a ITT RAYONIER INCORPORATED)

By: W.D. Erickson
W. D. Erickson (print)
As its: Vice President

AUTHORIZATION
CAR 819
LEGAL *mpc*

EXHIBIT A

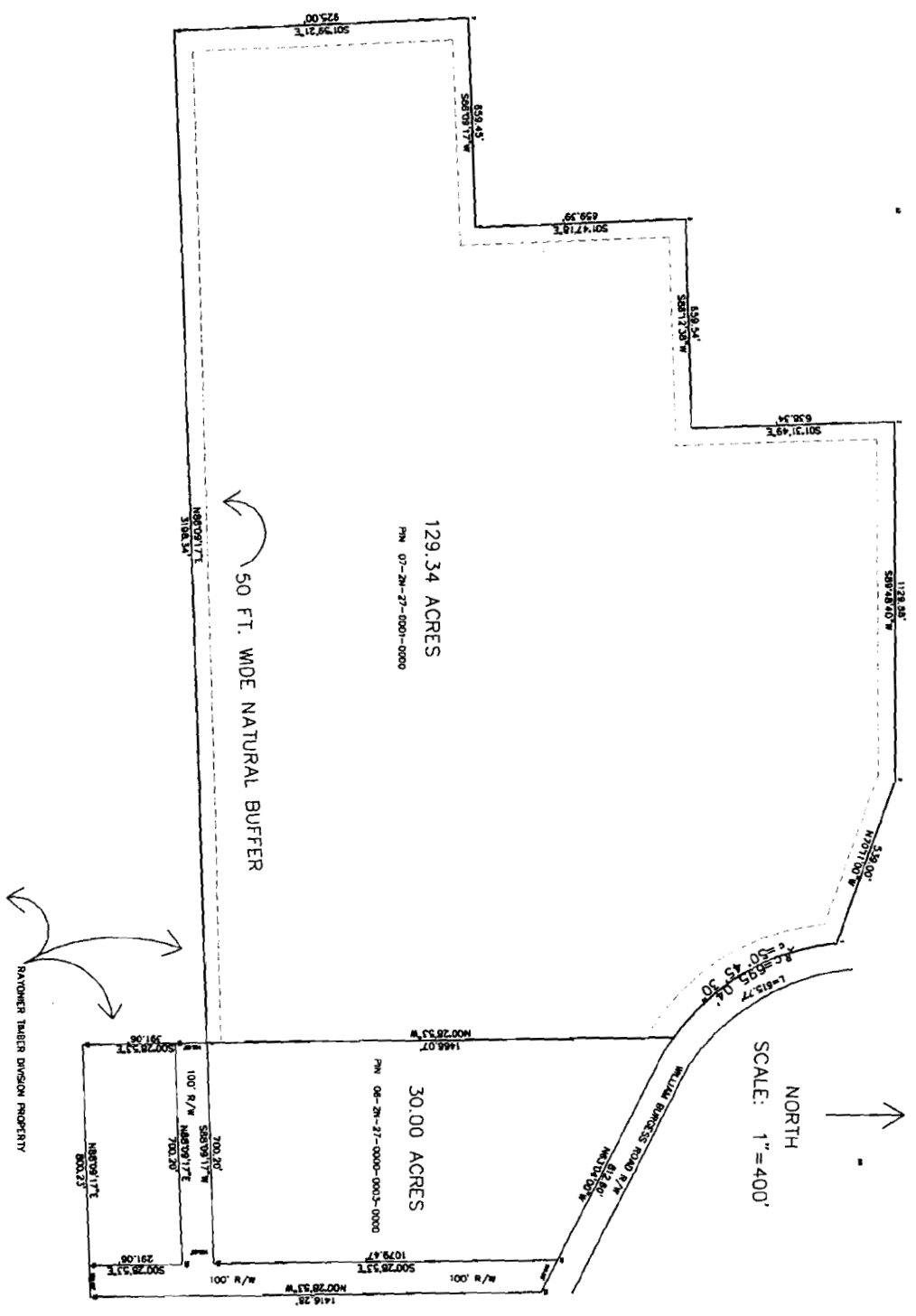
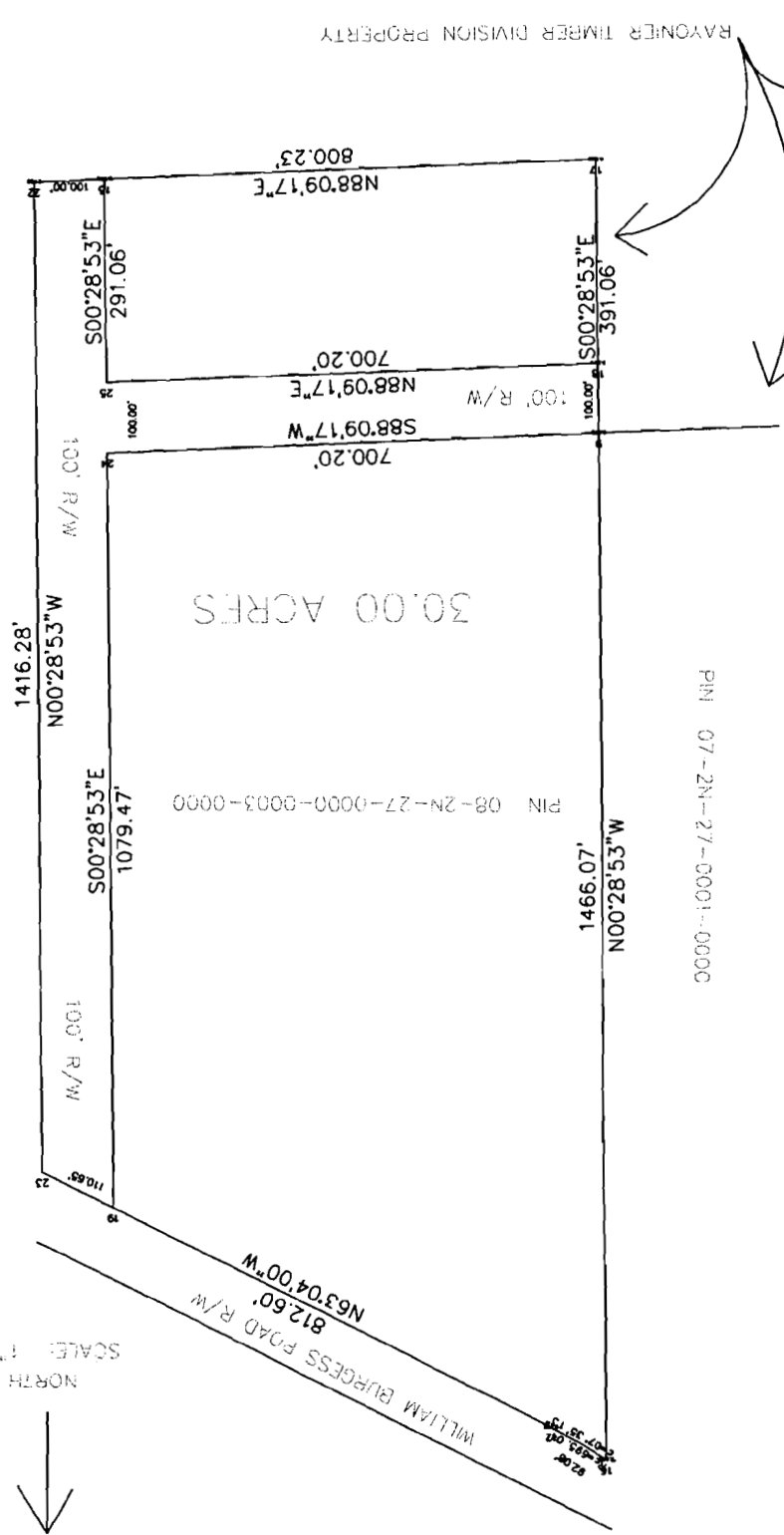


EXHIBIT B

SCALE: 1"=200'

NORTH



RAYONER TIMBER DIVISION PROPERTY

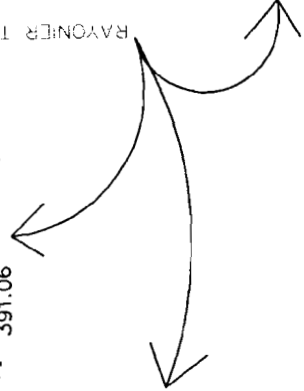


EXHIBIT C
STANDARD SURVEY SPECIFICATIONS

At a minimum, the survey of the Land will comply with the following specifications:

In Florida all surveys will be performed in accordance with the Minimum Technical Standards for Surveys as specified in Chapter 472, Florida Statutes and Chapter 61G17-6 of the Florida Administrative Code.

In Georgia all surveys will be performed in accordance with the Technical Standards for Property Surveys as specified in the Official Code of Georgia Annotated Section 43-15 and Georgia Rules and Regulations Chapter 180-7.

Notwithstanding the provisions of the statutory requirements contained in the rules referred to above Rayonier requires the following:

1. **Point of Beginning**. The Point of Beginning must be referenced to a known, easily identifiable point on the ground which shall be clearly described and depicted on the plat of the survey.
2. **Blazing**. All survey lines which are **common with remaining (after transaction) Rayonier ownership** are to be hacked and blazed. No blazing of any kind is to be made on any line other than the line that is final. All trees greater than or equal to 3 inches in diameter at breast height (4.5 feet above ground level) that can be touched while a person is standing on the final line shall be blazed. A blaze with three hacks below it is standard. A chip of wood is to be removed when making each blaze and hack, the bottom of each should have an upward slant so that no water holding, rot inducing, pocket is formed; this is especially important in hardwoods. Hacks need not be large but should remove a chip of wood; they should be spaced far enough apart on the trunk that there is little chance of slabbing off the area between the blazes (8"± is suggested). Trees on line are to be marked the same way as the others, except that the marks will indicate where the line enters the tree. Corner witnesses, one in each quadrant if possible, will face the corner, a standard "X" and three hacks will be used.

If the surveyed line runs through an open area or an area with trees too small to blaze a treated fence post 3 inches in diameter and 6 feet, 6 inches in length must be set at intervals no more than 100 feet apart on the final survey line. Each post shall be marked with blue flagging tape.

3. **Monumentation**. Concrete monuments will be utilized for corners. Corners will be placed at each change of line direction (except branch and swamp centerlines). Corners will be placed on each right-of-way line when a boundary crosses an excluded road. If any turning points or other points on the final line are marked with visible materials of a permanent nature, such as pipes or re-enforcing rods, they must be shown on the final plat. No such permanent objects are to be left in place on trial lines. Whenever possible, each corner will be witnessed by at least three trees.

4. Plats. Rayonier shall receive five (5) certified and sealed copies and one reproducible copy (mylar) of the survey drawing. The plat shall show: signature; surveyor's certificate; date of survey; county; section, township and range (Florida only); Land lot number; Land district, Georgia Militia District (Georgia only); scale; north arrow; unadjusted error of closure; legend of monumentation symbols; record monuments called for, including abutting streets and easements; found physical monuments that locate the record monuments; notation of monuments called for but not found; all monuments set and their descriptions; easements of record; encroachments and possession on the title lines; pertinent topography and fences; acreage of total tract; acreage of any closed figure within total tract; acreage in any wholly included exception, acreage in each county where applicable; acreage in all excluded roads; county, state and federal road numbers; expression of measurements on all lines, direction, distance, coordinates, and curve data; community distance (miles) and direction ties on roads, county map accuracy is sufficient.

Rayonier shall receive survey boundary data in digital form on a 3.5 inch diskette. Data format supplied in ArcInfo, Autocad.dxf or ASCII files (preferred). This data shall contain a minimum of 4 (four) sets of coordinates derived from field measurements sufficient to register the data into a Geographic Information System.

5. Legal Description. A typed legal description on 8 ½" by 11" paper is to be furnished suitable to serve as an attachment to a legal document for recordation in the public record. This legal description should be checked against the legal description and/or calls on the plat to verify that they match.

6. Surveyor's Report. A signed, written report detailing any abnormalities such as line or corner disputes, adverse possession, conflicting title, etc. is to be submitted along with the final plat. Copies of conflicting deeds, plats or other pertinent information should be attached to the report. Corner and line placements which are based on the surveyor's judgment or common practice rather than on the ground evidence are to be fully explained. A report, even if it is negative, is required.

**POST OFFICE
TO ADDRESSEE**



EL488047505US

DELIVER TO ADDRESSEE (AI USE ONLY)

32034

Date: 4-19-00

Time: 16:27

Day of Delivery: Next Second

Postage: \$ 11.75

Return Receipt Fee: \$

Int'l Alpha Country Code: BB

COD Fee: \$

Insurance Fee: \$

Total Postage & Fees: \$ 11.75

APR 19 2000

PROOF OF PAYMENT:

Post Office Corporate Acct. No. X323102 045

Post Office Agency Acct. No. or Postal Service Acct. No.

NO DELIVERY

FROM: (PLEASE PRINT)

PHONE ()

NASSAU CTY
CLERK OF CIRCUIT COURT
PO BOX 456
FERNANDINA BEACH FL 32035-0456

Joan

PRESS HARD

TO: (PLEASE PRINT)

PHONE (904) 261-0828

MRS. MARY J. BERGER
ASSISTANT GENERAL COUNSEL
RAYONIER
POST OFFICE BOX 723
FERNANDINA BEACH, FL 32035

Customer Copy
Label 11-F July 1997

FOR PICKUP OR TRACKING CALL 1-800-222-1811 www.usps.gov

NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P. O. Box 1010
Fernandina Beach, Florida 32035



April 19, 2000

Mrs. Mary J. Berger
Assistant General Counsel
Rayonier
Post Office Box 723
Fernandina Beach, FL 32035

Dear Mary:

Enclosed for your files is a Agreement between Rayonier Nassau County, for the purchase of William Burgess Boulevard.

Also enclosed is a check in applied at closing.

The county looks forward to

Sincerely yours,
Dictated but not proof read by
Mr. Mullin. - Mailed in his absence to avoid delay.
Michael S. Mullin
County Attorney

MSM:jb
Enclosures

(904) 225-2610 Board Room; 321-5703, 879-1029, (800) 958-3496

An Affirmative Action / Equal Opportunity Employer

EL488047505US

Rayonier

Mary J. Berger
Assistant General Counsel

April 13, 2000

Board of County Commissioners
Nassau County, Florida
Attn: Joyce Bradley
P.O. Box 456
Fernandina Beach, Florida 32035

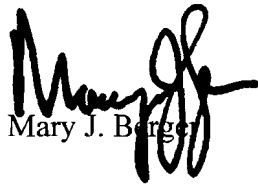
RE: Rayonier Timberlands Operating Company, LP, s/t Board of County Commissioners
Nassau County, Florida

Dear Joyce:

Per our discussion earlier today (Thursday), attached are duplicate original Purchase And Sale Agreements, executed by W. D. Ericksen, as Vice President of Rayonier Timberlands Mangement, Inc. Please secure execution of the attached Purchase and Sale Agreements on behalf of the Board of County Commissioners as soon as possible.

Once executed by the County, please return one part of the duplicate originals along with the "Deposit" (\$5,200.00) to my attention.

Very truly yours,



Mary J. Berger

Attachment

FAXED
OFFICE OF CLERK OF COURTS
INDIAN COUNTY, FLORIDA

2000 APR 17 PM 4:14

CHECK REQUEST FROM Board of County Commissioners

PAYABLE TO: Rayonier Timberlands Operating Company, L.P.
Limited Partnership

ADDRESS: P.O. Box 723

Fernandina Beach, FL 32035-0723

AMOUNT: \$ 5,200.00

FUNDING SOURCE: _____

FOR: Deposit on purchase of approximately 129 acres of property

DATE BCC APPROVED: April 10, 2000

SIGNATURE OF REQUESTING PARTY: *[Handwritten Signature]*

DO YOU WANT TO PICK UP THE CHECK? YES _____ NO _____

DO YOU WANT FINANCE TO MAIL THE CHECK? YES _____ NO _____

Send to Clerk's Office
OK manual
JMS

This Instrument Prepared By:
Mary J. Berger, Attorney
501 Centre Street (P.O. Box 723)
Fernandina Beach, Florida 32034

Doc# 200017680
Book: 936
Pages: 894 - 896
Filed & Recorded
06/14/00 10:13:54 AM
J. M. OXLEY JR
CLERK OF CIRCUIT COURT
NASSAU COUNTY, FLORIDA
DEED DOC STAMP \$ 6,519.10
RECORDING \$ 13.00
TRUST FUND \$ 2.00

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made upon this 12 day of June, 2000, is between **RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., LIMITED PARTNERSHIP**, a Delaware limited partnership, authorized for and doing business within Florida, whose mailing address is P.O. Box 728, Fernandina Beach, Florida 32034, hereinafter called the "Grantor", and **BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA**, a political body in the State of Florida, whose mailing address is P.O. Box 1010, Fernandina Beach, Florida 32034, hereinafter called the "Grantee".

Rec. 16.00
D.S. 6519.10
6534.10

WITNESSETH

IN CONSIDERATION OF the benefit to the Grantor's property and to the Public at Large and other valuable consideration, the receipt whereof is hereby acknowledged, and in lieu of the exercise of the power of eminent domain by the Grantee, has granted, bargained, sold, aliened, conveyed and confirmed, and does hereby grant, bargain, sell, alien, convey and confirm unto Grantee all that tract or parcel of land lying in Section 7, Township 2 North, Range 27 East, Nassau County, Florida, more particularly described as follows:

SEE EXHIBIT "A", attached hereto and made a part hereof by this reference.

TOGETHER WITH all the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining, to have and to hold in fee simple forever.

SUBJECT TO:

- a) The lien of accrued but unpaid ad valorem property taxes, if any, for the year of the grant.
- b) Restrictions, reservations and covenants of record, and easements and rights of way of record or apparent from an inspection of the land.
- c) Existing zoning classification.

And the Grantor does hereby warrant to the Grantee that it will warrant and defend the premises herein conveyed against the lawful claims and demands of all persons claiming by, through or under it, but against none others.

NTS-28399

By acceptance of this deed, Grantee covenants and agrees that a native vegetative buffer no less than fifty (50') feet in width will be maintained in perpetuity, in ground cover, midstory, and overstory along the Northerly, Southerly and Westerly property boundaries. This covenant shall be enforceable by Grantor and its successors or assigns.

IN WITNESS WHEREOF the Grantor has caused this instrument to be executed in its name by its properly and duly authorized corporate officers, upon the date given above.

RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., Limited Partnership
By its Managing General Partner, **RAYONIER TIMBERLANDS MANAGEMENT, INC.**
(P.O.Box 728, Fernandina Beach, FL 32035)

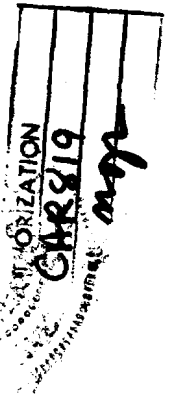
Witnesses:

[Signature] (Sign)
J.D. BOACH (Print)

[Signature] (Sign)
Edw. J. F. Hartbourey (Print)

By: W. D. Erickson (Sign)
W. D. Erickson (Print)
As Its: Vice President (Title)

ATTEST: [Signature] (Sign)
Mary J. Berger (Print)
As Its: Assistant Secretary (Title)



STATE OF FLORIDA
COUNTY OF NASSAU

BEFORE ME the undersigned authority personally appeared W. D. Erickson and Mary J. Berger as Vice President and Assistant Secretary, respectively, of **RAYONIER TIMBERLANDS MANAGEMENT, INC.**, Managing General Partner, by authority and on behalf of **RAYONIER TIMBERLANDS OPERATING COMPANY, L.P.**, Limited Partnership, a Delaware limited partnership, who acknowledged before me the execution of this instrument by authority and on behalf of said Limited Partnership. Both are personally known to me.

IN WITNESS WHEREOF I have set my hand and seal upon this 6 day of June, 2000.

[Signature] (Sign)

(Print)

NOTARY PUBLIC
State of _____
Commission No. _____
My Commission Expires: _____



LEGAL DESCRIPTION: RAYONIER TO NASSAU COUNTY

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A DEPARTMENT OF TRANSPORTATION CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH $88^{\circ} 24' 30''$ EAST, ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2649.18 FEET TO A LIGHTER WOOD POST (REPLACED WITH A CONCRETE MONUMENT LB 6756) MARKING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 56' 37''$ EAST, ALONG THE MONUMENTED EAST LINE OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 656.89 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7 AND THE POINT OF BEGINNING; THENCE SOUTH $01^{\circ} 47' 18''$ EAST, CONTINUING ALONG SAID EAST LINE A DISTANCE OF 659.39 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $88^{\circ} 09' 17''$ WEST, ALONG THE SOUTH LINE OF EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 659.45 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 59' 21''$ WEST A DISTANCE OF 925.00 FEET; THENCE NORTH $88^{\circ} 09' 17''$ EAST A DISTANCE OF 3198.34 FEET TO A POINT ON THE MONUMENTED EAST LINE OF SAID SECTION 7; THENCE NORTH $00^{\circ} 28' 53''$ WEST ALONG SAID EAST LINE OF SECTION 7, A DISTANCE OF 1466.07 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW LAID OUT AND IN USE) AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET FROM WHICH A RADIAL LINE BEARS NORTH $34^{\circ} 31' 16''$ EAST; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF $50^{\circ} 45' 52''$, A DISTANCE OF 615.77 FEET; THENCE NORTH $70^{\circ} 11' 20''$ WEST DEPARTING FROM SAID RIGHT-OF-WAY LINE, A DISTANCE OF 539.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 7; THENCE SOUTH $89^{\circ} 48' 40''$ WEST ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 1129.88 FEET; THENCE SOUTH $01^{\circ} 31' 49''$ EAST A DISTANCE OF 638.34 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORD BOOK 607, PAGE 1055, PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH $88^{\circ} 12' 38''$ WEST A DISTANCE OF 659.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 129.34 ACRES MORE OR LESS.

Doc# 200017679
Book: 936
Pages: 891 - 893
Filed & Recorded
06/14/00 10:13:54 AM
J. M. OXLEY JR
CLERK OF CIRCUIT COURT
NASSAU COUNTY, FLORIDA
DEED DOC STAMP \$ 0.70
RECORDING \$ 13.00
TRUST FUND \$ 2.00

This Instrument Prepared By:
Mary J. Berger, Attorney
501 Centre Street (P.O. Box 723)
Fernandina Beach, Florida 32034

**QUIT CLAIM DEED
(RELEASING OIL AND GAS RESERVATION)**

THIS QUIT CLAIM DEED made this 12 day of June, 2000, between RAYONIER INC., a North Carolina corporation, (f/k/a ITT Rayonier Incorporated, a Delaware corporation), authorized for and doing business within the State of Florida (hereinafter referred to as Grantor), and BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA, a political body within the State of Florida whose mailing address is P.O. Box 1010, Fernandina Beach, Florida 32035, (hereinafter referred to as Grantee).

WITNESSETH:

IN CONSIDERATION OF the benefit to the Grantor's property and to the Public at Large and other valuable consideration, the receipt whereof is hereby acknowledged, and in lieu of the exercise of the power of eminent domain by the Grantee, does hereby release, remise and quitclaim unto the second party, its successors and assigns forever, all the right, title, interest, claim and demand which the first party has in that tract or parcel of land lying in Nassau County, Florida, as follows:

ALL RESERVATION OF SUBSURFACE INTEREST IN SUBSURFACE OIL, NATURAL GAS AND FUGITIVE HYDROCARBONS, arising out of the reservation contained in a Quit Claim Deed, dated November 19, 1985, and recorded in Deed Book 538, pages 1218 et seq. of the public records of Nassau County, Florida, as such reservation may burden or encumber that specific tract of land, situate, lying and being in the State of Florida, County of Nassau, and more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF BY THIS REFERENCE.

TO HAVE AND TO HOLD the said described premises to grantee, its successors and assigns forever, so that neither Grantor nor any person or persons claiming under Grantor shall at any time, by any means or ways, have claim or demand any right or title to said premises or appurtenances, or any rights thereof.

Rev. 15.00
D.S. 1.70
15.70


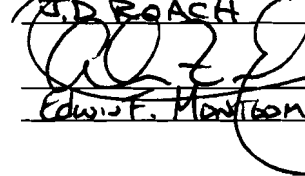
NTS - 28399

IN WITNESS WHEREOF, Grantor has signed and sealed this deed upon the date above written.

RAYONIER INC.

50 North Laura St, Suite 2900, Jacksonville, FL 32201

Witnesses:

 (Sign)
W.D. ERICKSEN (Print)
 (Sign)
Edward F. Montgomery (Print)


By: W. D. Ericksen (Sign)
W. D. Ericksen (Print)
 As Its: Vice President (Title)
 ATTEST: Mary J. Berger (Sign)
Mary J. Berger (Print)
 As Its: Assistant Secretary (Title)

AUTHORIZATION
 CAR 819
 LEGAL

STATE OF FLORIDA
COUNTY OF NASSAU

BEFORE ME the undersigned authority personally appeared W.D. Ericksen and Mary J. Berger, as Vice President and Assistant Secretary, respectively, of RAYONIER INC., a North Carolina corporation, who acknowledged before me the execution of this instrument by authority and on behalf of said corporation. Both are personally known to me.

IN WITNESS WHEREOF I have set my hand and seal upon this 6 day of June, 2000.

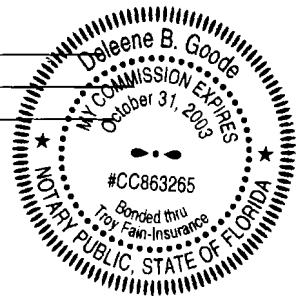
 (Sign)
Deleene B. Goode (Print)

NOTARY PUBLIC

State of _____

Commission No. _____

Commission Expires: _____



LEGAL DESCRIPTION: RAYONIER TO NASSAU COUNTY

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A DEPARTMENT OF TRANSPORTATION CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH $88^{\circ} 24' 30''$ EAST, ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2649.18 FEET TO A LIGHTER WOOD POST (REPLACED WITH A CONCRETE MONUMENT LB 6756) MARKING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 56' 37''$ EAST, ALONG THE MONUMENTED EAST LINE OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 656.89 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7 AND THE POINT OF BEGINNING; THENCE SOUTH $01^{\circ} 47' 18''$ EAST, CONTINUING ALONG SAID EAST LINE A DISTANCE OF 659.39 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $88^{\circ} 09' 17''$ WEST, ALONG THE SOUTH LINE OF EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 659.45 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 59' 21''$ WEST A DISTANCE OF 925.00 FEET; THENCE NORTH $88^{\circ} 09' 17''$ EAST A DISTANCE OF 3198.34 FEET TO A POINT ON THE MONUMENTED EAST LINE OF SAID SECTION 7; THENCE NORTH $00^{\circ} 28' 53''$ WEST ALONG SAID EAST LINE OF SECTION 7, A DISTANCE OF 1466.07 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW LAID OUT AND IN USE) AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET FROM WHICH A RADIAL LINE BEARS NORTH $34^{\circ} 31' 16''$ EAST; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF $50^{\circ} 45' 52''$, A DISTANCE OF 615.77 FEET; THENCE NORTH $7011' 20''$ WEST DEPARTING FROM SAID RIGHT-OF-WAY LINE, A DISTANCE OF 539.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 7; THENCE SOUTH $89^{\circ} 48' 40''$ WEST ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 1129.88 FEET; THENCE SOUTH $01^{\circ} 31' 49''$ EAST A DISTANCE OF 638.34 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORD BOOK 607, PAGE 1055, PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH $88^{\circ} 12' 38''$ WEST A DISTANCE OF 659.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 129.34 ACRES MORE OR LESS.

STATE OF FLORIDA
COUNTY OF NASSAU

**OWNER'S
LIEN AND POSSESSION AFFIDAVIT**

BEFORE ME came in person, J. DANIEL ROACH, as MGR. BUSIN. DEV., of **RAYONIER TIMBERLANDS MANAGEMENT, INC.** a Delaware corporation as managing general partner to **RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., Limited Partnership, a Delaware limited partnership** (hereinafter referred to as **RAYONIER** who, having been duly sworn and placed on oath, deposed and said as follows:

1. That the facts hereinafter recited are based on the undersigned's best knowledge and belief, and, as manager having direct control and authority for supervision of the land in question, by authority and on behalf of **RAYONIER**.
2. That **RAYONIER**, hereinafter referred to as "Owner", possesses and owns, without knowledge of any adverse claims, a parcel of land (hereinafter referred to as the "Property") lying in Nassau County, Florida, and more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.
3. That no improvements or repairs have been made by or at the instance of Owner on the Property during three (3) months immediately preceding this date, and there are no outstanding bills incurred for labor or materials used in making improvements or repairs on said Property, or for services of architects, surveyors or engineers incurred in connection therewith, other than those services as have arisen under or by reason of the transaction to which this Affidavit relates, and as will be discharged at closing or assumed by Grantee.
4. That there are no unpaid or unsatisfied mortgages, claims, or liens, special assessments for sewerage or street improvements or taxes, which constitute or could constitute a lien against the Property or any improvements thereon or any part thereof, except state and county ad valorem taxes for the year 2000.
5. This Affidavit is made with the knowledge that the same may be used in connection with securing an owner's title insurance policy for **BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA**, a political body within the State of Florida, its successors and assigns.

DATED this 5TH day of JUNE, 2000.

J.D. Roach (sign)
J. D. ROACH (print)

STATE OF Florida
COUNTY OF Nassau

THE FOREGOING instrument was acknowledged before me this 5th day of June, 2000, by J. D. Roach, who is personally known to me, or has produced the following type of identification:

Ruth A. Brewer (Sign)
Ruth A. Brewer (Print)

NOTARY PUBLIC

State of _____

Commission No. _____

Commission Expires _____



LEGAL DESCRIPTION: RAYONIER TO NASSAU COUNTY

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A DEPARTMENT OF TRANSPORTATION CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH $88^{\circ} 24' 30''$ EAST, ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2649.18 FEET TO A LIGHTER WOOD POST (REPLACED WITH A CONCRETE MONUMENT LB 6756) MARKING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 56' 37''$ EAST, ALONG THE MONUMENTED EAST LINE OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 656.89 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7 AND THE POINT OF BEGINNING; THENCE SOUTH $01^{\circ} 47' 18''$ EAST, CONTINUING ALONG SAID EAST LINE A DISTANCE OF 659.39 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $88^{\circ} 09' 17''$ WEST, ALONG THE SOUTH LINE OF EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 659.45 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 59' 21''$ WEST A DISTANCE OF 925.00 FEET; THENCE NORTH $88^{\circ} 09' 17''$ EAST A DISTANCE OF 3198.34 FEET TO A POINT ON THE MONUMENTED EAST LINE OF SAID SECTION 7; THENCE NORTH $00^{\circ} 28' 53''$ WEST ALONG SAID EAST LINE OF SECTION 7, A DISTANCE OF 1466.07 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW LAID OUT AND IN USE) AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET FROM WHICH A RADIAL LINE BEARS NORTH $34^{\circ} 31' 16''$ EAST; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF $50^{\circ} 45' 52''$, A DISTANCE OF 615.77 FEET; THENCE NORTH $70^{\circ} 11' 20''$ WEST DEPARTING FROM SAID RIGHT-OF-WAY LINE, A DISTANCE OF 539.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 7; THENCE SOUTH $89^{\circ} 48' 40''$ WEST ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 1129.88 FEET; THENCE SOUTH $01^{\circ} 31' 49''$ EAST A DISTANCE OF 638.34 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORD BOOK 607, PAGE 1055, PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH $88^{\circ} 12' 38''$ WEST A DISTANCE OF 659.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 129.34 ACRES MORE OR LESS.

GRANT OF EASEMENT
AND EASEMENT AGREEMENT

THIS GRANT OF EASEMENT AND EASEMENT AGREEMENT (the "Agreement") is made effective this 12 day of June, 2000, between BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA, a political subdivision of the State of Florida, Grantor, and RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, whose address is:

4 North 2nd Street
Post Office Box 728
Fernandina Beach, FL 32034,

Grantee.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their heirs, successors in interests, and assigns.

RECITALS:

A. Grantor is the owners of the lands described in Exhibit "A", attached hereto and made a part hereof by this reference, which lands are located in Nassau County, Florida, and hereinafter described as the "Grantor's Lands".

B. Grantee is the owner of lands adjacent to the lands described in Exhibit "A", which lands are also located in Nassau County, Florida, and hereinafter described as the "Grantee's Lands".

C. Grantee desires to obtain an easement over the portion of Grantor's Lands, which easement is generally depicted and described in Exhibit "B" for the purpose of access, ingress and egress for itself and its invitees, successors and assigns.

NOW THEREFORE, in consideration of Ten and No/100 Dollars, in hand paid by the Grantee to the Grantor, and in further consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto agree as follow:

1. Recitals. The recitals contained hereinabove are true and correct and are incorporated herein by this reference and made a part hereof.

2. Grant of Easement to the Grantee. The Grantor, as the owners of the "Grantor's Lands", does and by these presents hereby grants, bargains, sells, and conveys to the Grantee, Grantee's successors and/or assigns, a non-exclusive easement over and across the portions of Grantor's Lands generally depicted in Exhibit "B", for the purpose of unrestricted ingress and egress, to Grantee's property for all business purposes of the Grantee and its successors and assigns, with men, trucks, machinery and equipment for Grantee's business purposes including but not limited to maintaining and/or operating Grantee's adjoining timberlands.

3. Construction of Access Road Within The Easement. Grantor agrees, as soon as practical, but in no event later than sixty (60) days from the date hereof, to establish within the lands depicted as the easement, a graded, rural road conforming at a minimum to all Nassau County standards and specifications for rural roads (the "access road"). The access road shall be established within the depicted easement, and the depicted easement shall be no less than 100 feet in width. The costs of the construction of the

access road and the paving thereof shall be at the sole responsibility and expense of the Grantor. Grantor agrees to accomplish the completion of the paving of the access road within two years from the date of this agreement. Until the access road is established, Grantee, and Grantee's successors and assigns, shall have the right to access Grantee's lands from William Burgess Boulevard across existing trail roads on Grantor's lands.

The purpose and objective of the road is to enable Grantee, its agents, assigns and invitees direct access to Grantee's land, and that so long as that purpose and objective is met, the parties understand and agree that the exact location of the easement which will contain the access road may have to be amended based upon wetlands or other practical considerations. The parties agree to establish the exact location by mutual and good faith agreement.

It is the intention of the parties that the access road, and the right of way within which the same is located, shall ultimately become a dedicated public right of way. The parties agree that at such time that the road is dedicated as a public right of way, this easement will no longer be necessary, and the same shall be terminated automatically upon such event.

The Grantor agrees to maintain the access road with any improvements located on the easement to a minimum standard passage by two wheel drive vehicular traffic until such time as the access road becomes a public right of way.

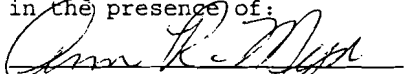
4. Non-Exclusive Easement. Grantor and Grantee understand and agree that this easement is non-exclusive, and may be used by others, including Grantor, Grantor's successors and/or assigns, and Grantor's invitees, licensees and guests.

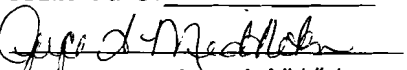
5. Performance. In the event Grantor's breach or anticipatory breach of any of the obligations of this Easement, or other obligations of the Grantor, and such breach or anticipatory breach continues for more than ten (10) days from the date written notice is mailed to Grantor, Grantor shall indemnify and hold harmless Grantee for any and all costs, (including attorney's fees) incurred by Grantee to legally compel performance or cure of said breach.

6. Termination. Unless and until this easement is terminated under the provisions of Paragraph 3, this easement agreement may be terminated only by the written agreement of the parties hereto, or their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the effective date first written above.

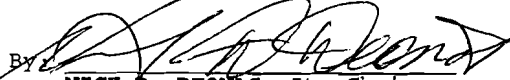
Signed, sealed and delivered in the presence of:


Print Name: ANN R. MYERS


Print Name: Joyce A. Middleton

GRANTOR:

BOARD OF COUNTY COMMISSIONERS,
NASSAU COUNTY, FLORIDA,

By 
NICK D. DEONAS, Its Chairman

Signed, sealed and delivered
in the presence of:

GRANTEE:

J.D. Roach
Print Name: J. D. ROACH

RAYONIER TIMBERLANDS OPERATING
COMPANY, L.P., LIMITED PARTNERSHIP
by its Managing General Partner
RAYONIER TIMBERLANDS MANAGEMENT,
INC.

Edwin F. Montebony
Print Name: Edwin F. Montebony

By: W. D. Erickson
Its Vice President

Attest: W. D. Erickson
Its Assistant Secretary

AUTHORIZATION
CAR 8/9
LEGAL

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 12th day
of June, 2000, by NICK D. DEONAS, Chairman of the BOARD OF COUNTY
COMMISSIONERS, NASSAU COUNTY, FLORIDA, who produced
as identification or who are
personally known to me.

Ann R. Myers
Notary Public, State of Florida
Name Of Notary: **ANN R. MYERS**
My Commission Expires:

Ann R. Myers
MY COMMISSION # CC881894 EXPIRES
January 3, 2004
BONDED THROUGH TROY FARM INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 6 day
of June, 2000, by W. D. Erickson the Vice President of
RAYONIER TIMBERLANDS MANAGEMENT INC, the Managing General Partner
of RAYONIER TIMBERLANDS OPERATING COMPANY, L.P., LIMITED
PARTNERSHIP, who produced
as
identification or who is personally known to me

Deleene B. Goad
Notary Public, State of _____
Name Of Notary:
My Commission Expires:

Deleene B. Goad
MY COMMISSION EXPIRES
October 31, 2002
#CC863265
BONDED THRU
Troy Farm Insurance
NOTARY PUBLIC, STATE OF FLORIDA

LEGAL DESCRIPTION: RAYONIER TO NASSAU COUNTY

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A DEPARTMENT OF TRANSPORTATION CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH 88° 24' 30" EAST, ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2649.18 FEET TO A LIGHTER WOOD POST (REPLACED WITH A CONCRETE MONUMENT LB 6756) MARKING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH 01° 56' 37" EAST, ALONG THE MONUMENTED EAST LINE OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 656.89 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7 AND THE POINT OF BEGINNING; THENCE SOUTH 01° 47' 18" EAST, CONTINUING ALONG SAID EAST LINE A DISTANCE OF 659.39 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH 88°09'17" WEST, ALONG THE SOUTH LINE OF EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 659.45 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH 01°59'21" WEST A DISTANCE OF 925.00 FEET; THENCE NORTH 88°09'17" EAST A DISTANCE OF 3198.34 FEET TO A POINT ON THE MONUMENTED EAST LINE OF SAID SECTION 7; THENCE NORTH 00°28'53" WEST ALONG SAID EAST LINE OF SECTION 7, A DISTANCE OF 1466.07 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW LAID OUT AND IN USE) AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET FROM WHICH A RADIAL LINE BEARS NORTH 34°31'16" EAST; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 50°45'52", A DISTANCE OF 615.77 FEET; THENCE NORTH 70°11'20" WEST DEPARTING FROM SAID RIGHT-OF-WAY LINE, A DISTANCE OF 539.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 7; THENCE SOUTH 89°48'40" WEST ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 1129.88 FEET; THENCE SOUTH 01°31'49" EAST A DISTANCE OF 638.34 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORD BOOK 607, PAGE 1055, PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 88°12'38" WEST A DISTANCE OF 659.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 129.34 ACRES MORE OR LESS.

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB No. 2502-0265

B. TYPE OF LOAN

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number	7. Loan Number	8. Mortgage Insurance Case Number
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.		00-3903		

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked '(p.o.c.)' were paid outside the closing; they are shown here for informational purposes and are not included in the totals. Adjustments for items 'Unpaid By Seller' are based on estimated amounts, and are subject to adjustment by Borrower(s) and Seller(s) when actual amounts become available.

D. Name and Address of Borrower Board of County Commissioners, Nassau County, Florida*	E. Name and Address of Seller Rayonier Timberlands Operating Company, L.P.*	F. Name and Address of Lender
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G. Property Location U/A William Burgess Blvd. Yulee, Florida 32097	H. Settlement Agent Marshall E. Wood, P.A. Place of Settlement 303 Centre Street, Suite 100 Fernandina Beach, Florida 32034 (904) 277-4666	I. Settlement Date 6/12/00 Disbursement Date 6/12/00
--	--	---

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	931,248.00	401. Contract sales price	931,248.00
102.		402.	
103. Settlement charges to borrower (line 1400)	33,657.25	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106.		406.	
107.		407.	
108.		408.	
109.		409.	
110.		410.	
111.		411.	
112.		412.	

120. Gross Amount Due From Borrower	964,905.25	420. Gross Amount Due To Seller	931,248.00
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions in Amount Due To Seller	
201. Deposit or earnest money	5,200.00	501. Excess deposit (see instructions)	5,200.00
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	6,519.10
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of 1st mtg loan	
205.		505. Payoff of 2nd mtg loan	
206.		506. Payoff of 3rd mtg loan	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210.		510.	
211.		511.	
212.		512.	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	5,200.00	520. Total Reduction Amount Due Seller	11,719.10
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	964,905.25	601. Gross amount due to seller (line 420)	931,248.00
302. Less amounts paid by/for borrower (line 220)	5,200.00	602. Less reductions in amt. due seller (line 520)	11,719.10
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	959,705.25	603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	919,528.90

* BUYER'S ADDRESS: Post Office Box 1010, Fernandina Beach, FL 32035
* SELLER'S ADDRESS: 4 North 2nd Street, Fernandina Beach, FL 32034

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION WILL BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

Date June 12, 2000

Settlement Agent: Marshall E. Wood

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

By: AS MGR, BUSY DEV. AND LAND MTL.

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Rayonier Timberlands Operating Company, LP.

L-S-Settlement Charges		Paid From	Paid From
700 Total Sales/Broker's Commission based on price		Seller's	Settlement
701 Division of Commission (line 700) as follows:		Borrower's	Funds at
702		Settlement	Settlement
703	Commission paid at Settlement		
800	Items Payable in Connection With Loan		
801	Loan Origination Fee		
802	Loan Discount		
803	Appraisal Fee		
804	Credit Report		
805	Lender's Inspection Fee		
806			
807	Tax Service Fee		
808	Underwriting Fee		
809	Document Preparation Fee		
810	Application Fee		
811			
900	Items Required By Lender To Be Paid In Advance		
901	Interest		
902	Mortgage Ins. Premium for		
903	Hazard Ins. Premium for		
904	Flood Ins. Premium for		
905			
1000	Reserves Deposited With Lender		
1001	Hazard Insurance		
1002	Mortgage Insurance		
1003	Flood Insurance		
1004	County Taxes		
1005	Landfill		
1006	Special Beach Asses.		
1007	Homeowner's Assoc.		
1008	Aggregate Adjustment Amount		
1100	Title Charges		
1101	Settlement or Closing Fee to		
1102	Abstract or Title Search to First American Title Insurance Company		44.00
1103	Title Examination		
1104	Title Insurance Binder		
1105	Document Preparation		
1106	Notary fees		
1107	Attorney's fees to Marshall E. Wood, P.A.		2,500.00
1108	Title Insurance to First American Title Insurance Company		5,690.75
1109	Lender's Coverage: \$ 1,246,248.00		
1110	Owner's Coverage: \$ 1,246,248.00		
1111			
1112			
1113			
1200	Government Recording and Transfer Charges		
1201	Recording Fees: Deed \$ 15.00 ; Mortgage \$ 6,519.10 ; Releases \$ 15.00		15.00
1202	State tax/stamps: Deed \$ 6,519.10 ; Mortgage \$ 6,519.10		6,519.10
1203	City/County/stamps: Deed \$; Mortgage \$		
1204	Stamps on Note(s): \$		
1205	Recording Easement Agreement to Clerk of Circuit Court		15.00
1300	Additional Settlement Charges		
1301	Survey		
1302	Post Inspection to		
1303	Environmental Services to McCranie & Associates, Inc.		6,375.00
1304	Survey to Cide Isle Surveying & Mapping Company		19,017.50
1305			
1306			
1400	Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		33,657.25
			6,519.10

FATIC 524



Policy No. FA-35-280330

POLICY OF TITLE INSURANCE



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, First American Title Insurance Company has caused its corporate seal to be hereunto affixed and these presents to be signed in facsimile under authority of its By-Laws.

First American Title Insurance Company

BY *Parker S. Kennedy* PRESIDENT

ATTEST *Mark R. Arneson* SECRETARY





First American Title Insurance Company



**POLICY
OF
TITLE
INSURANCE**



or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) *(This paragraph dealing with Coinsurance was removed from Florida policies.)*

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of the Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent,

remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION.

Unless prohibited by applicable law, arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association may be demanded if agreed to by both the Company and the insured. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY: POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company, Attention: Claims Department, 114 East Fifth Street, Santa Ana, California 92701.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records, at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1 (a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land,

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company

shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and

COMMERCIAL **X** RESIDENTIAL NEW HOME SALE RESALE FORECLOSURE OTHER

First American Title Insurance Company

RI:
SI:

SCHEDULE A

Issuing Office File No.: 28399

Policy No. FA-35-280330

Date of Policy: **June 14, 2000**
10:13:54 AM

Amount of Insurance \$ 1,246,248.00

1. Name of Insured:
BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA

2. The estate or interest in the land which is covered by this policy is:
FEE SIMPLE

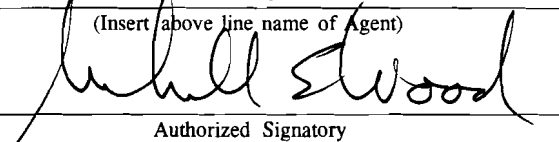
3. Title to the estate or interest in the land is vested in:
BOARD OF COUNTY COMMISSIONERS, NASSAU COUNTY, FLORIDA

4. The land referred to in this policy is described as follows:
AS DESCRIBED IN EXHIBIT "A", ATTACHED HERETO

MARSHALL E. WOOD, P.A.

(Insert above line name of Agent)

By:



Authorized Signatory

PARCEL A:

A PARCEL OF LAND SITUATE IN SECTION 7, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A DEPARTMENT OF TRANSPORTATION CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH $88^{\circ} 24' 30''$ EAST, ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2649.18 FEET TO A LIGHTER WOOD POST (REPLACED WITH A CONCRETE MONUMENT LB 6756) MARKING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 56' 37''$ EAST, ALONG THE MONUMENTED EAST LINE OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 656.89 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7 AND THE POINT OF BEGINNING; THENCE SOUTH $01^{\circ} 47' 18''$ EAST, CONTINUING ALONG SAID EAST LINE A DISTANCE OF 659.39 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $88^{\circ} 09' 17''$ WEST, ALONG THE SOUTH LINE OF EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7, A DISTANCE OF 659.45 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF (E 1/2) OF THE NORTHEAST ONE-QUARTER (NE 1/4) OF THE NORTHWEST ONE-QUARTER (NW 1/4) OF SAID SECTION 7; THENCE SOUTH $01^{\circ} 59' 21''$ WEST A DISTANCE OF 925.00 FEET; THENCE NORTH $88^{\circ} 09' 17''$ EAST A DISTANCE OF 3198.34 FEET TO A POINT ON THE MONUMENTED EAST LINE OF SAID SECTION 7; THENCE NORTH $00^{\circ} 28' 53''$ WEST ALONG SAID EAST LINE OF SECTION 7, A DISTANCE OF 1466.07 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW LAID OUT AND IN USE) AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET FROM WHICH A RADIAL LINE BEARS NORTH $34^{\circ} 31' 16''$ EAST; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF $50^{\circ} 45' 52''$, A DISTANCE OF 615.77 FEET; THENCE NORTH $70^{\circ} 11' 20''$ WEST DEPARTING FROM SAID RIGHT-OF-WAY LINE, A DISTANCE OF 539.00 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 7; THENCE SOUTH $89^{\circ} 48' 40''$ WEST ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 1129.88 FEET; THENCE SOUTH $01^{\circ} 31' 49''$ EAST A DISTANCE OF 638.34 FEET TO A CONCRETE MONUMENT MARKING THE SOUTHEAST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORD BOOK 607, PAGE 1055, PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH $88^{\circ} 12' 38''$ WEST A DISTANCE OF 659.54 FEET TO THE POINT OF BEGINNING.

PARCEL B:

A PARCEL OF LAND SITUATE IN SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT A CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH $00^{\circ}28'53''$ EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 700.84 FEET TO A THE SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS BOULEVARD (A 100-FOOT RIGHT-OF-WAY AS NOW ESTABLISHED) AND THE POINT OF BEGINNING; THENCE CONTINUE SOUTH $00^{\circ}28'53''$ EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 1357.13 FEET; THENCE NORTH $88^{\circ}09'17''$ EAST, A DISTANCE OF 800.23 FEET; THENCE NORTH $00^{\circ}28'53''$ WEST, A DISTANCE OF 1416.28 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID WILLIAM BURGESS BOULEVARD; THENCE NORTH $63^{\circ}04'00''$ WEST, ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 681.74 FEET TO A POINT ON A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 695.00 FEET; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF $7^{\circ}35'29''$, A DISTANCE OF 92.08 FEET, (SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH $59^{\circ}16'29''$ WEST A DISTANCE OF 92.02 FEET) TO THE POINT OF BEGINNING.

First American Title Insurance Company

SCHEDULE B

Issuing Office File No.: 28399

Policy No. FA-35-280330

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Any rights, interests or claims of parties in possession of the land not shown by the public records.
2. Any rights, interests or claims affecting the land which a correct survey would disclose and which are not shown by the public records.
3. Any lien for services, labor or materials in connection with improvements, repairs or renovations provided before, on, or after Date of Policy, not shown by the public records.
4. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is, at Date of Policy, or was previously, under water.
5. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority, at Date of Policy.
6. Any minerals or mineral rights leased, granted or retained by prior owners.
7. Taxes and assessments for the year 2000 and subsequent years, not yet due and payable.
NOTE: Exceptions Numbered 1 THROUGH 5 Above are Hereby Deleted.
8. Landfill for the year 2000, if any, which is not yet due and payable.
9. Rights of others in and to any roads crossing caption.
10. No part lying within public roads is insured.
11. Terms and conditions contained in Grant of Easement and Easement Agreement recorded in Official Records Book 936, page 897 of the public records of Nassau County, Florida. (Note: location of Easement is ambiguous)
12. Restrictions contained in deed recorded in Official Records Book 936, page 894 of the public records of Nassau County, Florida.
13. SURVEY FURNISHED by Stephen W. Hoffman, P.S & M. # 5774, dated 6/10/00 shows the following: (AS TO PARCEL A)
 1. Mitigation Area along the Northerly property line.
 2. 50 foot buffer running along the Northerly, Southerly and Westerly property lines.

See Attached Schedule B Continued

First American Title Insurance Company

SCHEDULE B (Continued)

Agent's

File No.: 28399

Commitment No. FA-CC-

Policy No.: FA-35-280330

Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate 42 USC 3604 (c), contained in any of the exceptions set forth under Schedule B, are hereby deleted.

SERVICE QUALITY AND AVAILABILITY STATEMENT: First American Title

Insurance Company cares about its customers and their ability to obtain information and service on a convenient, timely and accurate basis. A qualified staff of service representatives is dedicated to serving you.

A toll-free number is available for your convenience in obtaining information about coverage and to provide assistance in resolving complaints: 1-800-929-7186.

Office hours will be from 8:30 a.m. through 5:30 p.m., E.S.T. Monday through Friday.