

Revised 10/16/91

STATE OF FLORIDA
COUNTY OF NASSAU

AGREEMENT FOR PURCHASE AND SALE
OF DIRT IN PLACE

THIS AGREEMENT made and entered into in duplicate this 10th day of March, 2004, is by and between Rayonier Forest Resources, L. P., a Delaware limited partnership, qualified to do business in the state of Florida, whose business address is P. O. Box 728, Fernandina Beach, FL 32035-0728 hereinafter called "RAYONIER", and Nassau County Road Department whose business address is 2496 Eastwood Road, Hilliard, FL 32046-4004 hereinafter called "PURCHASER".

WITNESSETH:

WHEREAS, RAYONIER has the rights to certain fill dirt; and WHEREAS, the PURCHASER has inspected and desires to purchase and remove the dirt;

NOW THEREFORE, in consideration of the mutual covenants hereinafter undertaken, RAYONIER and PURCHASER agree as follows:

- 1.0 Material Identification and Location: RAYONIER agrees to sell and PURCHASER agrees to purchase:

Fill materials consisting of sand, dirt, top soil and rock existing as is, where is, on the site;

Hereinafter called "DIRT", located on the following described lands:

A portion of RAYONIER's Management Block Nassau Cmps 1-5, 1-12, 1-24, 1-49, 1-70 and West Nassau Cmp. 117 of Nassau and West Nassau Forests in Nassau County, Florida, more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein, hereinafter called "LAND" or "LANDS".

- 2.0 Transfer of Title: All rights, title, and interest in the DIRT conveyed by this Agreement shall remain in RAYONIER until it is removed from the LAND.
- 3.0 Agreement Term: PURCHASER is granted the right: but, not the exclusive right to purchase and remove the DIRT identified by this Agreement until December 31, 2004.

If the PURCHASER wishes to extend the term for an additional ONE (1) YEAR, notification of such desire shall be given in writing to RAYONIER not less than SIXTY (60) DAYS prior to the expiration of this Agreement. Extension of the term is NOT a matter of right, and RAYONIER may, in its unqualified discretion, deny any such extension request, inasmuch as the removal of the DIRT by this Agreement is not an estate or paramount encumbrance upon the LAND, but a mere license to obtain and purchase material, as goods, by and under the terms of this Agreement. If extended, the DIRT will be sold based on a price to be agreed upon between the PURCHASER and RAYONIER.

4.0 Price, Deposit and Performance Deposit:

4.1 Purchase Price: PURCHASER agrees to pay to RAYONIER for the DIRT removed hereunder the sum of \$1.15 dollars per cubic yard.

Total Estimated Contract Value = \$11,500 Nassau

Total Estimated Contract Value = \$ 6,900 West Nassau

4.2 Payment: The PURCHASER will complete and deposit in a lock box on the LAND a load ticket for each load of DIRT hauled from the LAND. The load tickets will be supplied by Seller. The information supplied on the load ticket by the PURCHASER will serve as an accounting for the cubic volume hauled on each load. The Seller will periodically collect the load tickets and invoice the Purchaser monthly based on RAYONIER's fiscal month. Payment is due to Seller within 10 days of receipt of invoice. Delinquent invoices shall bear interest at EIGHTEEN (18) per cent INTEREST per annum, on the daily amount outstanding. Undisputed invoices remaining delinquent in excess of FOURTEEN (14) DAYS shall allow Seller to suspend continued shipment of DIRT from the LAND, until the amount is cured, and if not promptly cured, to declare this Agreement in default. Disputed invoices, if not resolved between the parties within TEN (10) DAYS of the settlement date, shall be submitted to arbitration within the next SEVEN (7) DAYS, for resolution as provided in this Agreement.

4.3 Performance Deposit: PURCHASER shall furnish and deposit with RAYONIER a Performance Deposit, in cash, certified or bank check in the amount of N/A dollars, which will be returned to PURCHASER, without interest, upon the satisfactory completion of all operations according to the terms and conditions of this Agreement; however, PURCHASER agrees that RAYONIER shall have THE RIGHT TO USE OR APPLY ALL OR ANY PORTION OF THE PERFORMANCE DEPOSIT TO OFFSET ANY CLAIM OR MONEY OWED TO RAYONIER BY PURCHASER WHETHER UNDER THE TERMS OF THIS AGREEMENT (SEE PARTICULARLY PARAGRAPHS 8.0, 9.0, 10.0, AND 11.0) OR ANY OTHER AGREEMENT BETWEEN RAYONIER AND PURCHASER.

5.0 Dirt Removal Area: The boundaries of the area from which the DIRT is to be removed are clearly marked or designated on the LAND by RAYONIER and will be shown by RAYONIER to PURCHASER's Representative having responsibility for the DIRT removal operations. The volume of DIRT conveyed in this Agreement is estimated by RAYONIER to be 10,600 yards of DIRT on Nassau Forest and 6,000 yards of DIRT on West Nassau Forest. Nothing in this Section alters RAYONIER's rights under Section 7.0.

Dump trucks will be considered to contain 16 cubic yards each.

6.0 Title and Representations:

6.1 Title: RAYONIER warrants sufficient title and right to sell the DIRT, and further warrants that the DIRT is free and clear of any liens, and will remain free and clear of any liens arising under or by reason of RAYONIER, which would impair removal of the DIRT.

6.2 RAYONIER MAKES NO REPRESENTATION NOR WARRANTY TO PURCHASER WITH RESPECT TO THE QUALITY OR VALUE OF ANY DIRT NOR THE CONDITIONS THAT MAY EXIST IN CONNECTION WITH ACCESSING AND LOADING THE DIRT.

- 7.0 Right of Entry: RAYONIER also grants to PURCHASER, its successors and assigns, the right to enter upon LANDS at any and all times during said term with tools, wagons, carts, trucks, men and equipment and all other conveyances that are necessary for the removal of the DIRT, together with the right to operate roads and roadways upon, over and across the LANDS and any other lands of RAYONIER near or adjacent thereto, when such roads and roadways are necessary for ingress and egress, and the right to erect temporary structures upon the LANDS. PURCHASER shall have and is hereby granted the right at any time during the term hereof and for ten (10) days thereafter, to remove any and all machinery, equipment and other property, (excluding any claim to timber) of PURCHASER, whether or not so fixed to the LANDS as to be regarded in law as a part of the LANDS, provided that the LANDS and other property are not damaged as a result of such removal.

RAYONIER shall at all times during the term of this Agreement have the use of any and all parts of the LAND for any and all purposes. PURCHASER agrees to establish and maintain his own security system upon all areas being used by PURCHASER, without denying use of the area to RAYONIER.

8.0 Specifications:

During the removal of DIRT hereunder, PURCHASER shall:

- (a) take extreme precautions against the possibility of fire, contamination, or tainting of the LAND and property adjacent thereto and exercise reasonable care to avoid damage to the adjacent ditch, forest lands and timber of RAYONIER;
- (b) at all times maintain necessary and adequate protection for the safety of its agents, employees, contractors, and subcontractors and all other persons present at or close to the LAND;
- (c) maintain on-site supervision of the work to ensure performance as herein provided;
- (d) be accessible at the address set forth in this Agreement during DIRT removal operations to receive notice of violations of regulations, laws, or contractual terms and take immediate corrective measures as determined by RAYONIER;
- (e) be responsible for any damage or injury, including death, attributable in whole or in part to act(s) of negligence of the PURCHASER, its agents, employees, contractors or subcontractors in performing this Agreement;
- (f) immediately repair any fence, cable, gate or improvement damaged during the operation;
- (g) maintain all roads used for hauling dirt in the same or better condition than they were prior to the fill dirt operation. Allowance will be made for reasonable wear resulting from normal use.
- (h) slope all completed sides of the pit at 4:1;
- (j) dispose of non-useable material from the LAND such as much or dirt with excessive organic content, debris, and vegetable matter in a manner approved in advance by RAYONIER's designated representative.

9.0 General Indemnity: The PURCHASER shall, and specifically agrees to, assume responsibility and liability for, and keep and hold RAYONIER, its officers, agents, and employees harmless from, all costs, losses, damages, expenses or liabilities of any kind or nature (including death or personal injury to any persons, whether or not employees of PURCHASER, as well as all property damage) resulting from or arising by, or in connection with negligence of, or attributed to, the PURCHASER, its agents, employees, contractors, or subcontractors in the course of or in connection with the DIRT removal hereunder.

10.0 Environmental Compliance:

10.1 Laws: PURCHASER shall, during the period of DIRT removal hereunder, promptly observe and comply with all applicable laws, ordinances, orders, directives, rules, regulations, and other requirements of any Federal, State or local governmental authority or agency having jurisdiction, whether in force at the commencement of this Agreement or enacted or asserted during the term of this Agreement.

10.2 Environmental Control: PURCHASER agrees that all trash, cans, bottles or other clean trash, garbage, or materials of any kind left on the LANDS, whether as a direct or indirect result of operations, will be removed by PURCHASER prior to the end of the term. Under no circumstances whatsoever will any carcinogenic, controlled, toxic or hazardous substance or material, or a container presently holding or formerly holding such substance(s), be permitted to drain, or percolate on or into, or be stored, dumped, buried, or otherwise contaminate, taint, or affect the LANDS, or any other land adjacent to or in the vicinity of the LANDS.

There shall be no obligation or requirement upon RAYONIER to monitor PURCHASER's environmental management of the LAND; however, if under any form of law, ordinance, regulation or standard in effect at the inception of this Agreement, or arising during the term, RAYONIER should have cause to be concerned about PURCHASER's existing or continued compliance with any environmental laws, codes, regulations or standards then in effect which could in any manner affect the usefulness, useability, or marketability of the LANDS from which the DIRT is being removed or property adjacent thereto, then RAYONIER at its discretion may require additional assurance as it may deem appropriate to the risk, offense, or potential therefore, which may take the form of bonding, certified professional audits or opinions, insurance, indemnity, removal of all or portions of any waste deposited, construction of monitoring systems, leachate collection and treatment system(s), or such other technical, legal or financial, or mixed, forms of assurance as may reasonably relate to solving, remediating or minimizing the impact of the situation.

10.3 CONTRACTOR agrees that all silvicultural practices shall in all respects comply with all Best Management Practices (BMPs) for forestry promulgated by the forestry commission or agency for the state in which the work is located, along with any additional BMPs specified within this agreement or subsequently adopted by RAYONIER and made known to the contractor.

11.0 Insurance: Before commencing dirt removal operations hereunder, PURCHASER shall deliver to RAYONIER evidence, in the form of an insurance certificate, that PURCHASER has in force, insurance coverage described below issued by a company satisfactory to RAYONIER. Said certificate shall provide that the policy shall not be cancelled or changed materially without thirty (30) days advance written notice to RAYONIER. PURCHASER shall maintain insurance described herein in force during the entire term of this Agreement.

- A) Workers Compensation Insurance in statutory amount and Employers' Liability Insurance with a limit of not less than \$100,000 for each occurrence.
- B) General Liability Insurance with limits not less than \$500,000 for each occurrence with respect to Bodily Injury and \$500,000 for each occurrence with respect to Property Damage, or a combined single limit coverage of \$500,000 for each occurrence with respect to Bodily Injury and Property Damage.

Said policy shall include and cover premises and operations, completed operations, loggers broad form, contractual liability, and personal injury liability.

Said policy shall be on an occurrence basis and shall name Rayonier Inc. and Rayonier Forest Resources, L. P., as additional insured entities.

- C) Automobile Liability Insurance covering all vehicles used in PURCHASER's operations, including owned, non-owned or hired vehicles, with limits not less than \$500,000 for each person and each accident with respect to Bodily Injury, and not less than \$500,000 for each accident with respect to Property Damage, or combined single limit coverage of not less than \$500,000 for each accident with respect to Bodily Injury and Property Damage.

12.0 Default: If PURCHASER fails to perform any obligation, or breaches any provision, of this Agreement, and fails to remedy the situation to the reasonable satisfaction of RAYONIER after notice and demand for cure, or if an undisputed settlement remains unpaid, then RAYONIER shall have the right to declare this Agreement to be in default and, at its option: (1) terminate the Agreement, or (2) compel specific performance of the Agreement, or (3) suspend the right to remove DIRT from the LAND until the default has been remedied, and (4) seek such other form of relief as may be available by law or equity or both. Moreover, in the event of default of this Agreement, RAYONIER shall have the further right to declare any or all other contracts or agreements between RAYONIER and the PURCHASER in default and apply all deposits against this Agreement's unpaid settlement.

13.0 Miscellaneous

13.1 As to all matters relating to the settlement of payment, time is of the essence in the performance of this Agreement. As to all other matters, a reasonable period of time is applied.

13.2 Dispute Resolution/Arbitration: Except as otherwise provided herein, the parties will attempt, in good faith, to resolve any question, dispute, misunderstanding, controversy or claim arising out of or relating to this Agreement promptly by negotiation between designated executives of the respective parties. The disputing party shall give the other party written notice of the dispute. Within ten (10) days after receipt of that notice, the receiving party shall submit to the other a written response. The notice and response shall include (a) a statement of each party's position and a summary of the evidence and arguments supporting its position, (b) the name and title of the representative who will represent that party, and (c) a statement that the notice or response is being given pursuant to this Section of this Agreement. The representatives shall meet at a mutually acceptable time and place within twenty (20) days of the date of the disputing party's notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the controversy or claim has not been resolved within thirty (30) days of the initial meeting of the representatives (which period may be extended by mutual written

agreement) or if either party will not participate in such procedure, then the controversy shall be resolved by arbitration. Any matter to be resolved by arbitration shall be resolved by three (3) arbitrators to be appointed for that purpose as follows:

- (a) Within fifteen (15) days after notice by either party to the other requesting arbitration, each party shall appoint one arbitrator. Notice of such appointment, when made, shall be given by each party to the other.
- (b) If either party fails to appoint an arbitrator, then such arbitrator may be appointed by application to the Arbitration Committee of the American Arbitration Association.
- (c) The two arbitrators shall forthwith choose a third arbitrator to act with them. If they fail to select a third arbitrator within fifteen (15) days after the notice in subsection (a), the third arbitrator shall be promptly appointed upon application of either party to the Arbitration Committee of the American Arbitration Association. The party making such application to the Arbitration Committee shall give the other party to this Agreement five (5) days notice of this application.
- (d) The arbitrators shall proceed with due dispatch to define the problem, accept evidence, and reach a resolution. The proceedings shall be conducted in accordance with Florida law and the American Arbitration Association Commercial Arbitration Rules, and each party shall be entitled to discovery to the same extent permitted under the Florida Rules of Civil Procedure. The arbitration proceeding(s) shall be held in Nassau County, Florida or such other place as the parties may agree. The arbitrators, in issuing their award, shall be limited to accepting the position of either Rayonier or Ford's Land Clearing, Inc. only (straight choice/pendulum) and may not, pursuant to the terms of this Agreement, issue any award which may be viewed as a compromise or settlement between the positions set forth by each of the parties to the arbitration proceedings. The decision of any two of the three arbitrators shall be binding, final, and conclusive on the parties to this Agreement. The award shall be in writing and delivered to the parties, and shall be in such form that a petition may be filed to confirm the award in any court or public records wherein a judgment may be sought to be enforced.
- (e) The expense of any arbitration shall be borne as the arbitrators may direct, they in their judgment giving due weight in allocating expenses to the merit or lack thereof, in the claim and/or defense presented.
- (f) The arbitrators shall have no power to change any of the provisions of this Agreement in any respect, nor shall they have the power to make an award of reformation. The arbitrators are not empowered to award damages in excess of actual damage incurred. In no event shall any award include punitive, incidental or consequential damages, unless otherwise contemplated in the Agreement.

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

In the case of RAYONIER: RAYONIER, SE FOREST RESOURCES
Attn: Kenneth N. Gay
P. O. Box 728
Fernandina Beach, FL 32035-0728

In the case of PURCHASER:
Nassau County Road Department
2496 Eastwood Road
Hilliard, FL 32046

- 13.4 Venue for any action arising under this Agreement is stipulated for the Court District of the County where the LAND is located whether State or Federal.
- 13.5 Complete Agreement: This Agreement constitutes the entire understanding of the parties and the same may not be amended or modified orally. All understandings, representations and undertakings heretofore had between the parties are fully expressed in this Agreement. This Agreement may not be amended, in any respect whatsoever, except by a written document duly executed by the parties hereto. All consents herein required must be in writing.
- 13.6 Assignment: This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, except this Agreement shall not be assigned by PURCHASER without the written consent of RAYONIER. Consent to one assignment shall not destroy or waive this provision, and all later assignments shall likewise be made only upon prior written consent of RAYONIER. ASSIGNEES SHALL BECOME LIABLE DIRECTLY TO RAYONIER FOR ALL OBLIGATIONS OF PURCHASER HEREUNDER, WITHOUT RELIEVING PURCHASER'S LIABILITY, i.e. PURCHASER and assignees will be jointly and severally liable to RAYONIER for performance and payments due RAYONIER by virtue of this Agreement.
- 13.7 Recordation: The parties agree that this DIRT Agreement shall NOT be recorded in the public records of the County where the LAND is located; however, a memorandum form, acceptable to both parties, may be recorded.
- 13.8 The PURCHASER shall promptly report to RAYONIER and proper authorities any observed marijuana or suspected marijuana growing on the LAND, or other observed or suspected drug operations, including but not limited to meth labs.

IN WITNESS WHEREOF, the parties have hereunto set their hands and delivered these presents as of the day and year first above written.

Witnesses:

Melanie William
Cynthia K. Herring

RAYONIER FOREST RESOURCES , L. P.
 by its Managing General Partner
 RAYONIER TIMBERLANDS MANAGEMENT, LLC
 BY: W.D. Erickson
 NAME: W.D. Erickson
 TITLE: Vice President

~~NASSAU COUNTY ROAD DEPARTMENT~~

~~Witness~~

~~By: _____
 Name: _____
 Title: _____~~

~~Witness~~

SIGNATURES CONTINUED ON NEXT PAGE

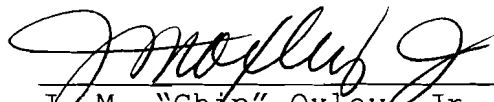
AGREEMENT FOR PURCHASE AND SALE
OF DIRT IN PLACE

NASSAU COUNTY BOARD OF
COUNTY COMMISSIONERS



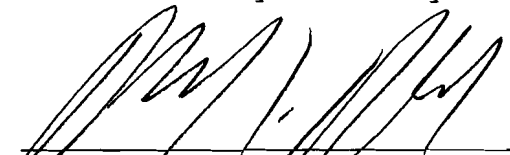
Floyd L. Vanzant, Chairman

ATTEST:



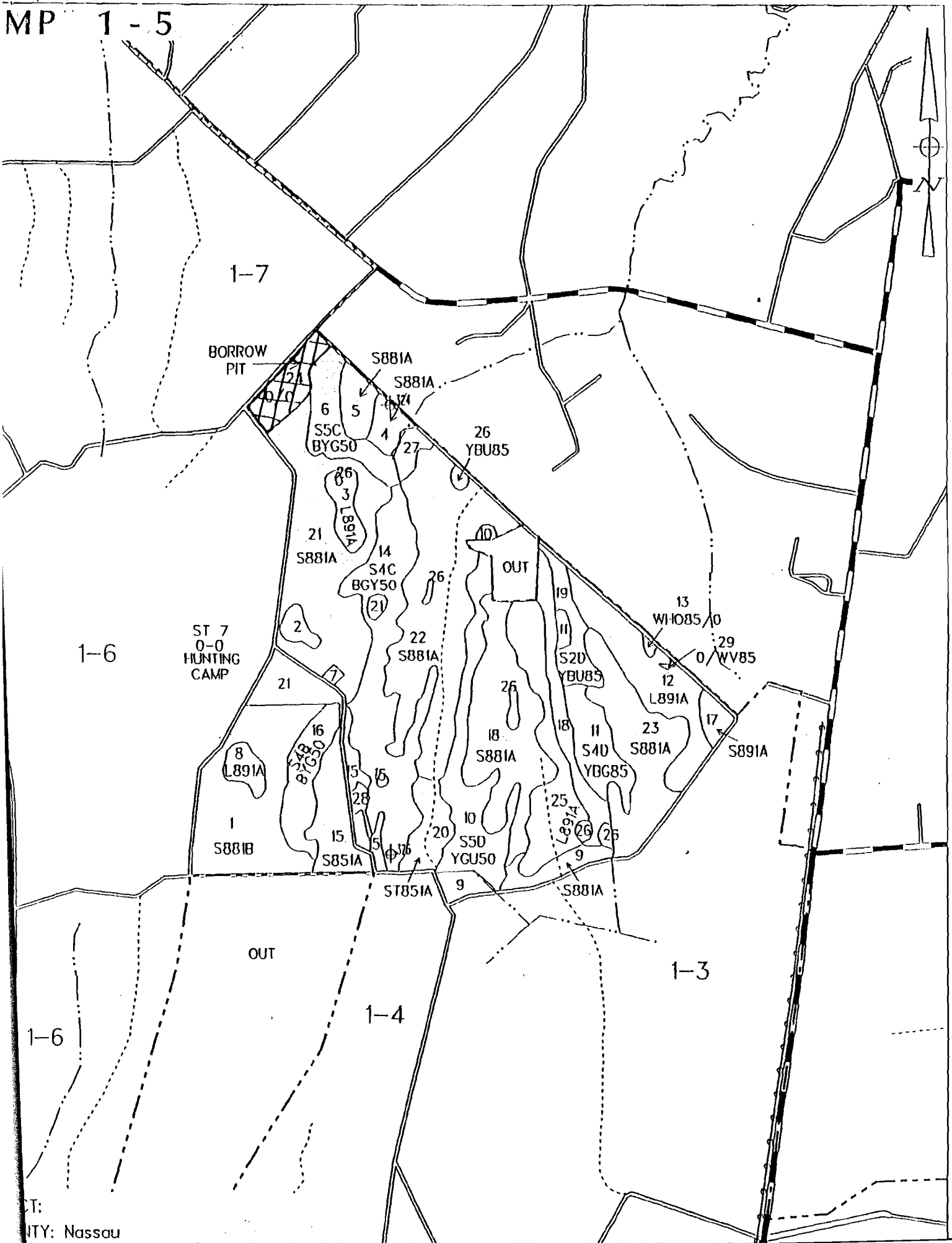
J. M. "Chip" Oxley, Jr.
Ex-Officio Clerk

Approved as to Form by the
Nassau County Attorney

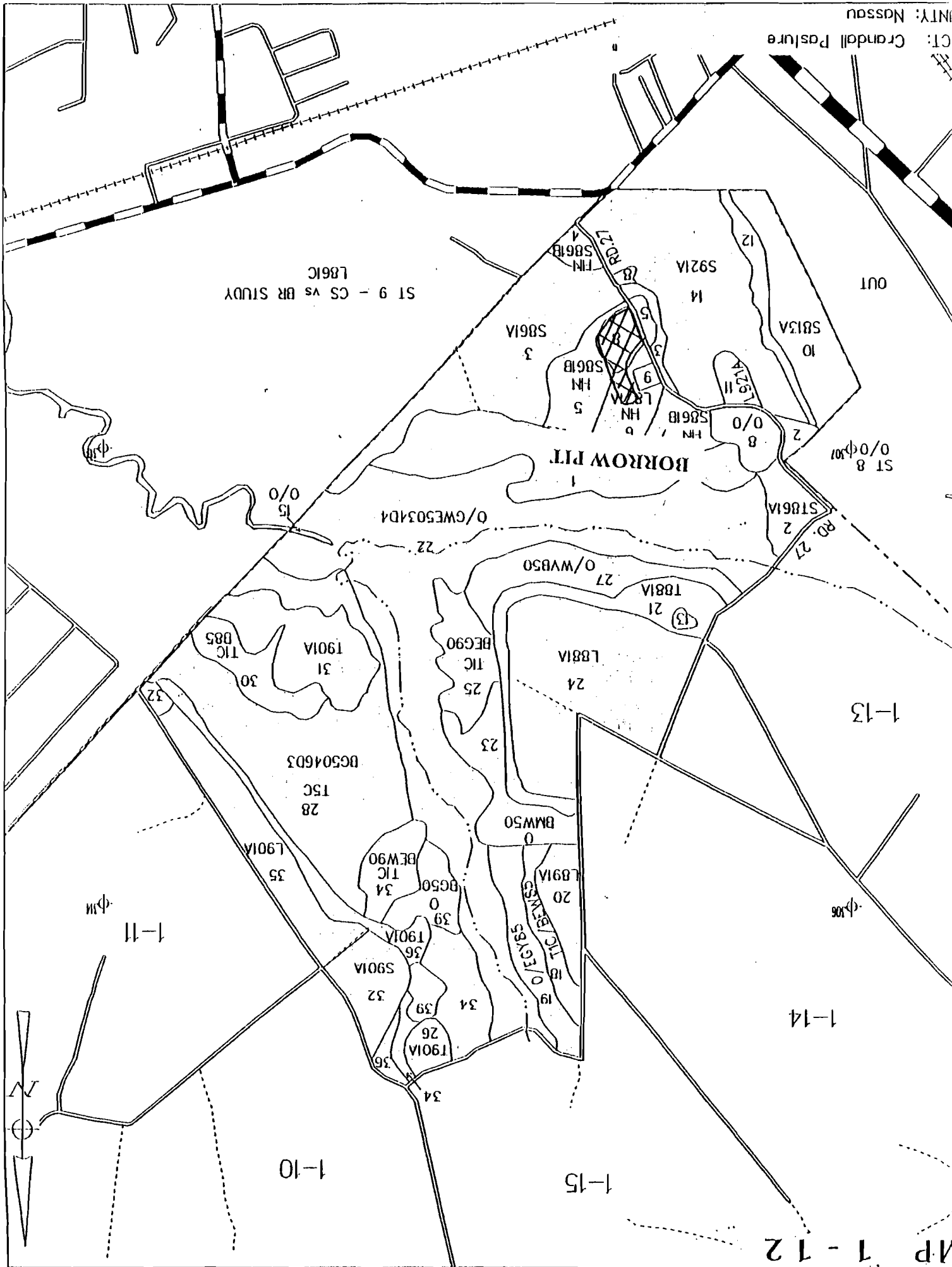


Michael S. Mullen

MP 1-5



CT:
ITY: Nassau



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4 5

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1961A

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WB9510A

1961A

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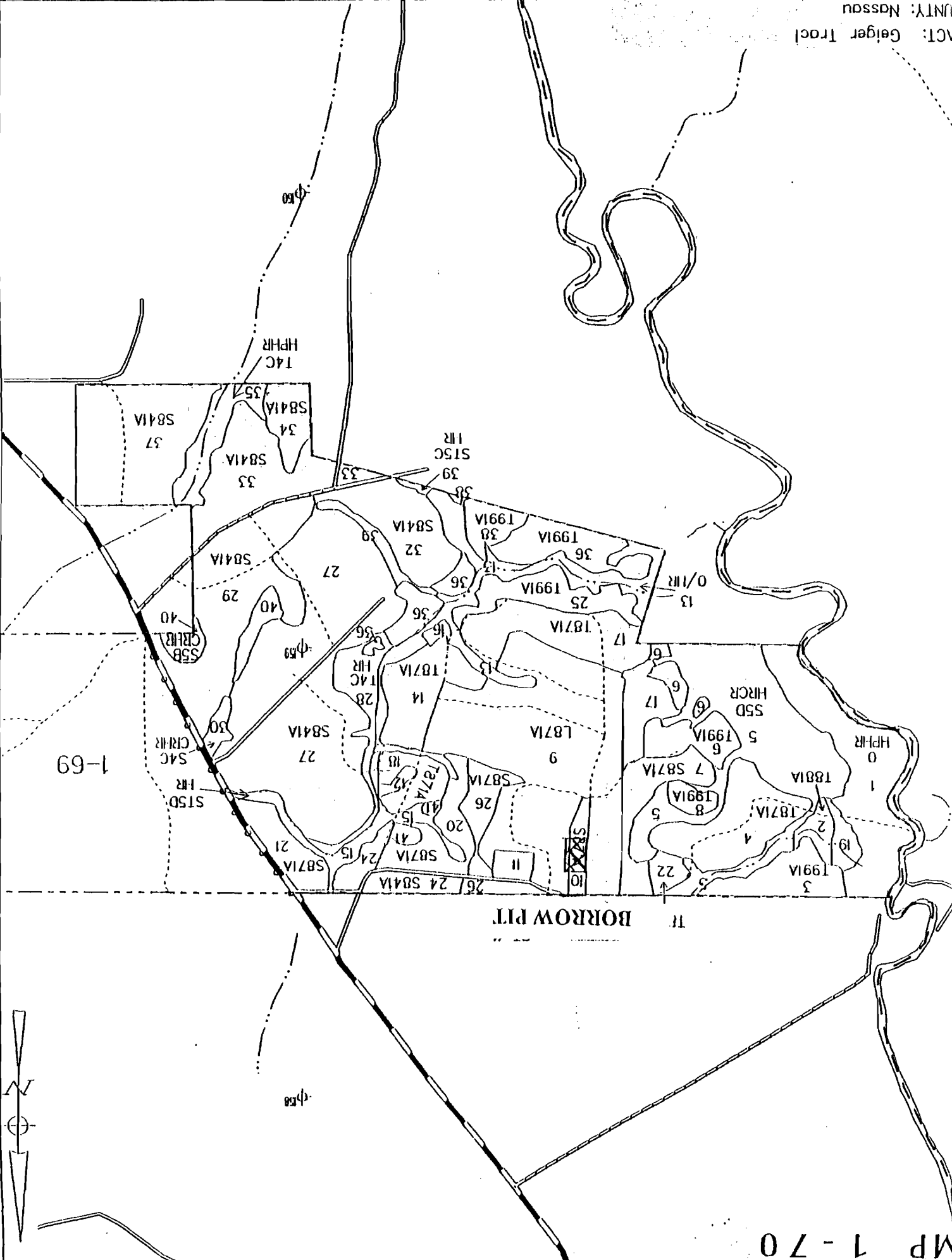
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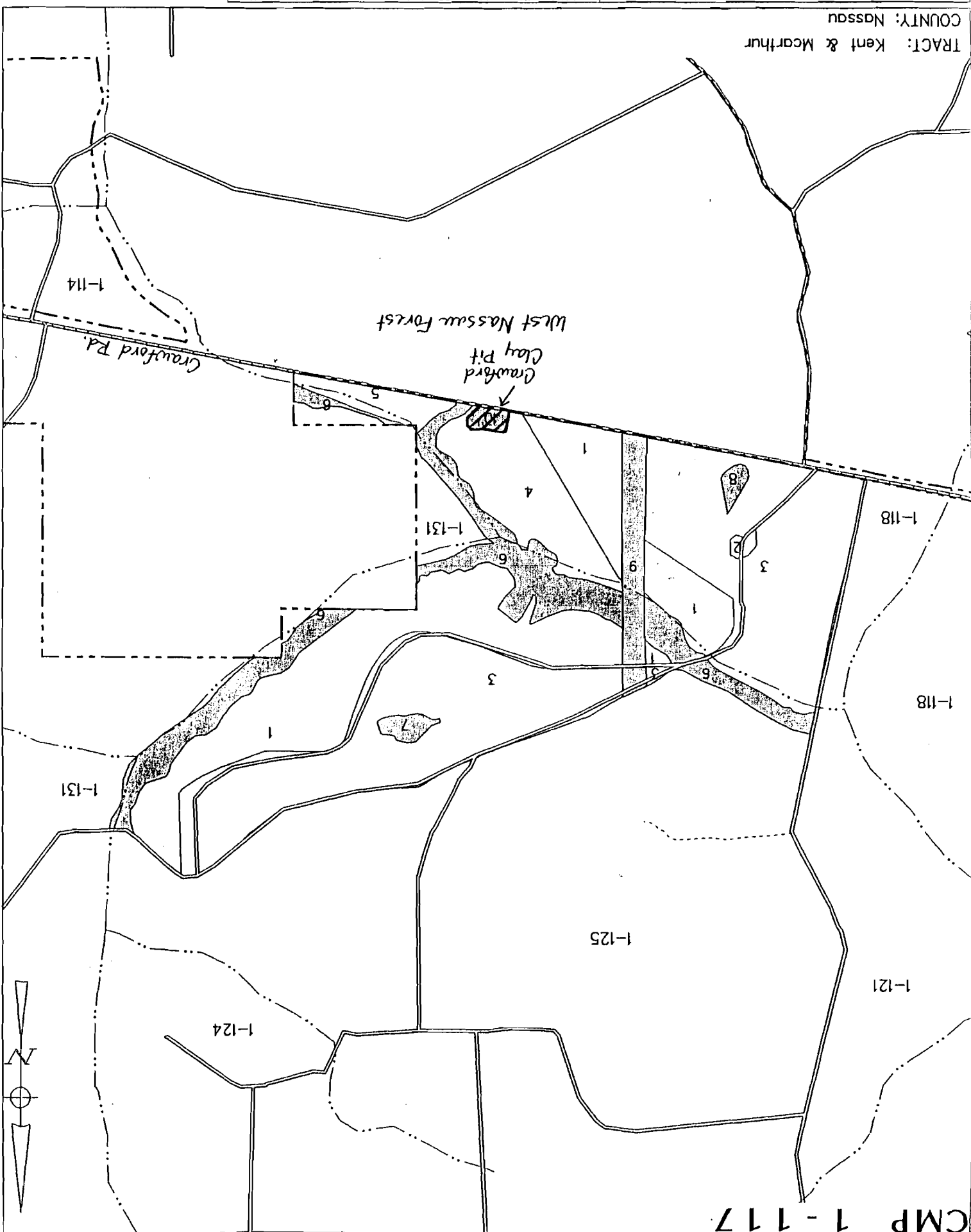
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MP 1-49





CMP 1 - 117



TRACT: Kent & McArthur
COUNTY: Nassau

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2	1	701A	HH	7022A	122	2	211	65	0	0
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W. Nassau

West Nassau Forest
Crawford Clay Pit

1-114

Crawford Rd.

1-118

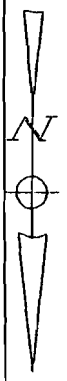
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Agenda Request For: March 10, 2004

Department: Road & Bridge

Background: Annual agreement between Nassau County and Rayonier for the purchase and sale of dirt in place from borrow pits owned by Rayonier. \$1.15 per cubic yard

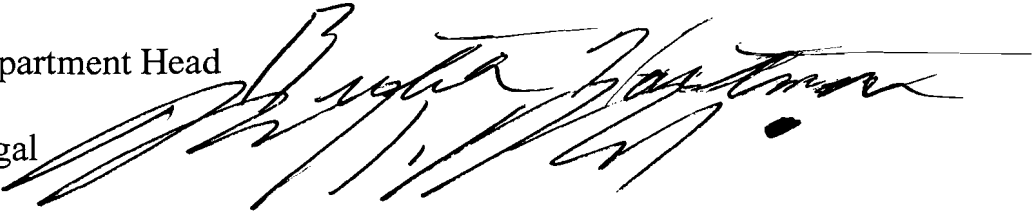
Financial/Economic Impact to Future Years Budgeting Process or Effect on Citizens:

Action requested and recommendation: Present for approval and signature - "Agreement for Purchase and Sale of Dirt in Place" between Rayonier and Nassau County. Agreement through December 31, 2004.

Is this action consistent with the Nassau County Comprehensive Land Use Plan?

Funding Source: 03404541-553010 (see next page) 8/31/04

Reviewed by:


Department Head 

Legal

Finance

Administrator 

Revised 02/04

APPROVED  Low needs to review INS. DATE 8-10-04 JMB + RD. Dept. needs to be furnished w/ specifics

03/01/2004
16:30:36

BOARD OF COMMISSIONERS
YEAR-TO-DATE BUDGET REPORT

PAGE 1
glytbdud

FOR 2004 99

103	CNTY TRANSPORTATION FUND	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED

103	CNTY TRANSPORTATION FUND							

03404541	ROAD MAINTENANCE							

03404541	553010 MATERIALS	200,000	0	200,000	44,653.65	26,267.43	129,078.92	35.5%
	TOTAL ROAD MAINTENANCE	200,000	0	200,000	44,653.65	26,267.43	129,078.92	35.5%
	TOTAL CNTY TRANSPORTATION FUND	200,000	0	200,000	44,653.65	26,267.43	129,078.92	35.5%
	TOTAL EXPENSES	200,000	0	200,000	44,653.65	26,267.43	129,078.92	
	GRAND TOTAL	200,000	0	200,000	44,653.65	26,267.43	129,078.92	35.5%