

**RESERVATION AND SALES AGREEMENT**

This Reservation and Sales Agreement (the "Agreement") is entered into this 24 day of March, 2006 (the "Effective Date") by and between Bryceville Timber, LLC, a Florida limited liability company whose address is 1200 Riverplace Blvd., Suite 902, Jacksonville, Florida 32207 ("Seller"), its successors and assigns, and the Board of County Commissioners of Nassau County, Florida, a political subdivision of the State of Florida ("Buyer") whose address is Post Office Box 1010, Fernandina Beach, FL 32035-1010.

**PREAMBLE:**

Buyer anticipates permitting numerous projects located in Nassau County, Florida, with the St. Johns River Water Management District ("SJRWMD"). It is anticipated that SJRWMD will impose requirements as a condition to granting permits that certain mitigation credits be purchased by Buyer to satisfy the conditions of the permits. Seller is the owner of Longleaf Mitigation Bank, a mitigation bank with freshwater mitigation credits under SJRWMD Permit Number 4-089-88607-1 and with freshwater mitigation credits under Army Corps of Engineers ("ACOE") Instrument Number SAJ-2003-640 (IPTL4) (together, a "Credit Pair"). Seller desires to sell Credit Pairs to Buyer for the purpose of meeting Buyer's requirements under the permits. Buyer has determined that the Credit Pairs available from Seller will meet Buyer's requirements and Buyer therefore desires to purchase Credit Pairs from Seller to satisfy its project permitting requirements.

**NOW, THEREFORE**, in order to execute a purchase of Credit Pairs from Seller to satisfy its project permitting requirements and in consideration of the mutual covenants and undertakings herein, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. Recitals. The recitals set forth in the Preamble are material parts of this Agreement and are incorporated herein by reference.

2. Purchase and Reservation of Credit Pairs. Seller hereby grants to Buyer the right to purchase Credit Pairs through a structured payment schedule specifying the payment date, number of credits, and unit price as described below. Each installment represents for the purposes of this agreement a credit "package":

<u>Payment Dates</u>	<u>Total Payments</u>	<u>Number of Credit Pairs</u>
March 31, 2006	\$200,000	4.4
January 5, 2007	\$535,000	12.6
January 5, 2008	\$535,000	13.4
January 5, 2009	<u>\$530,000</u>	<u>14.7</u>
<b>OVERALL TOTAL</b>	<b><u>\$1,800,000</u></b>	<b><u>45.1</u></b>

On or before each of the Payment Dates, Buyer may purchase the applicable number of Credit Pairs by paying to Seller the applicable Total Payment. Upon timely payment by Buyer of the applicable Total Payment on or before the next specified Payment Date, Seller shall reserve for Buyer the applicable number of Credit Pairs specified above for transfer to Buyer pursuant to the terms and conditions of Section 3 hereof and provide documentation to the Buyer that the appropriate number of credits have been reserved. Partial purchase of a credit package is not permitted. Prepayment in the order specified in full of future Total Payments is permitted. Each of the Total Payments, when paid, shall be non-refundable to Buyer. If Buyer fails to pay any of the Total Payments on or before the applicable Payment Date, Buyer's right to purchase Credit Pairs pursuant to the terms and conditions of this Agreement shall terminate; provided, however, Buyer's rights hereunder with respect to Credit Pairs previously purchased shall not be adversely affected.

3. Designation of Credit Pairs. The Credit Pairs purchased by Buyer and reserved by Seller for Buyer pursuant to Section 2 hereof shall be usable by Buyer, when reserved, in any basin in Nassau County, Florida. As soon as Buyer has identified a project requiring Credit Pairs reserved hereunder, Buyer shall notify Seller of the project name, permit number, number of Credit Pairs needed and the basin in which the project is located (a "Credit Designation Notice"). Upon receipt of a Credit Designation Notice, Seller shall send SJRWMD a notice of credit reservation substantially in the form of Exhibit A hereto reserving the designated number of Credit Pairs useable in the designated basin. Buyer may not amend or cancel a Credit Designation Notice without Seller's consent. Upon request by Buyer, Seller shall provide SJRWMD with a Notice of Credit Purchase with respect to the previously designated Credit Pairs and an updated ledger showing the transfer of the applicable Credit Pairs to the Buyer.

4. Notices. Any notice required hereunder shall be given in writing and shall be sent by registered or certified mail, return receipt requested, hand delivered or deposited into a recognized overnight courier service to the parties hereto at the following addresses:

SELLER: Bryceville Timber, LLC  
1200 Riverplace Boulevard Suite 902  
Jacksonville, Florida 32207  
c/o Longleaf Mitigation, LLC, Sales Agent  
ATTN: Bill Schroeder

BUYER: Nassau County  
County Administrator  
Post Office Box 1010  
Fernandina Beach, FL 32035-1010

Notices will be deemed received when delivered if hand delivered or sent via a recognized overnight courier service or 3 days after depositing same in the U.S. Mail if sent via registered or certified mail.

5. Attorneys' Fees. If any suit or action shall be instituted to enforce or to interpret this Agreement, the prevailing party shall be entitled to recover from the losing party all costs and reasonable attorneys' fees expended as part of such suit, action, or appeal.

6. Severability. If any provisions of this Agreement are held to be illegal or invalid, the other provisions shall remain in full force and effect.

7. Binding Effect. The obligations and covenants of this Agreement shall bind and benefit the successors, personal representatives, heirs and permitted assigns of the parties hereto.

8. Typewritten or Handwritten Provisions. Handwritten or typewritten provisions inserted into this Agreement initialed by all parties shall control over the typewritten provisions in conflict therewith.

9. Captions. The captions for each paragraph of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, or the intent of any provision hereof.

10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be and be taken to be an original, and all collectively but one instrument.

11. Facsimile Signatures. Facsimile signatures of this Agreement shall be deemed binding on all parties.

12. Governing Law; Venue. The laws of the State of Florida shall govern the validity, enforcement, and interpretation of this Agreement. The obligations of the parties are performable, and venue for any legal action arising out of this Agreement, shall lie in Nassau County, Florida.

13. Amendments. This Agreement may not be amended except by written agreement signed by all of the parties.

14. Assignment. Buyer shall not have the right to assign this Agreement, its rights hereunder or any Credit Pairs purchased hereunder. Seller shall not assign this Agreement without prior notification to Buyer, and Successor acknowledges the terms of this Agreement.

15. Waiver. No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be taken as a waiver of any other or similar provision or of any future event, act, or default.

(Intentionally left blank)

16. Enforcement. Should either party resort to legal action, the prevailing party shall be entitled to recover legal fees and costs.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date below written.

Signed, sealed, and delivered  
in the presence of:

**SELLER:**

**Bryceville Timber, LLC**

By: Longleaf Mitigation, LLC, as  
Authorized Credit Sales Agent

By: [Signature]

Executed: March 21, 2006

[Signature]

Elizabeth V. Williams  
Printed Name

[Signature]

**BUYER:**

BOARD OF COUNTY COMMISSIONERS

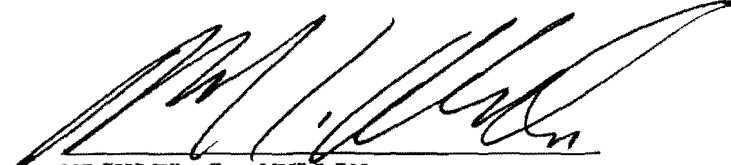
NASSAU COUNTY, FLORIDA

[Signature]  
THOMAS D. BRANAN, JR.  
Its: Chairman

ATTEST:

[Signature]  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

Approved as to form by the  
Nassau County Attorney



MICHAEL S. MULLIN

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