

**OPTION TO PURCHASE LAND**

**THIS OPTION TO PURCHASE LAND**, is made by and between **NPC TIMBER, INC.**, a Delaware corporation, authorized to do business in the State of Florida, hereinafter called "Seller", having a mailing address of Post Office Drawer 2530, Hawthorne, FL 32640 and the **CITY OF GAINESVILLE**, a municipal corporation, hereinafter called "Buyer", having a mailing address of Post Office Box 490, Gainesville, FL 32601,

WITNESSETH:

**WHEREAS**, the Seller is the owner in fee simple of certain real property located in Alachua County, Florida, more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter the "Real Property"); and

**WHEREAS**, the Buyer desires to acquire an exclusive right and option to purchase the Real Property described in Exhibit "A", consisting of two parcels of land known as "Parcel A" and "Parcel B", more particularly described herein;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants contained herein, the Parties agree as follows:

The Seller, in consideration of the sums recited herein and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged does hereby grant unto Buyer the following:

As to "Parcel A", in consideration of the sum of Ten Dollars (\$10.00) the exclusive right and option to purchase at any time on or before November 15, 2001 (the "Option Period"), upon the terms hereinafter set forth, all that tract or parcel of land known as "**Parcel A**" containing 1,153 acres, more or less, more particularly described in Exhibit "A" attached hereto and made a part hereof, but excluding the timber and timber rights as described in Paragraphs 16, 17, and 18 hereof;

As to "Parcel B", in consideration of the payment of the sum of Twenty-five thousand dollars (\$25,000.00, the "Option Money"), the exclusive right and option to purchase at any time within five (5) years from the date hereof (the "Option Period"), upon the terms hereinafter set forth, all that tract or parcel of land known as "**Parcel B**", containing 1093 acres, more or less, more particularly described in Exhibit "A" attached hereto and made a part hereof, but excluding the timber and timber rights as described in Paragraphs 16, 17, and 18 hereof;

This Option Agreement is subject to the following terms and conditions for "Parcel A" and "Parcel B":

1. **Exercise of Option.** Buyer shall exercise the Option rights hereunder by giving written notice of such exercise to Seller in accordance with Paragraph 15 hereof. Upon the

proper giving of such notice for "Parcel A" and/or "Parcel B", this Option Agreement shall, without further actions by either Seller or Buyer, ripen into a binding contract of sale of the parcel or parcels for which the Option is exercised. In the event this Option is not exercised before the expiration of the applicable Option Periods as set out above, then the same shall be null and void, and neither party shall have any obligations hereunder.

2. **Purchase Price and Payment.**

"Parcel A" - The total purchase price for "Parcel A" shall be the result of multiplying One Thousand and One Hundred Dollars (\$ 1,100.00) per acre by the number of acres or fraction thereof as determined by a survey to be made at the expense of Buyer. The purchase price shall be paid in immediately available funds at the Closing.

"Parcel B" - During a period of one year from the date of the herein executed Option, the total purchase price for "Parcel B" shall be the result of multiplying One Thousand and One Hundred Dollars (\$ 1,100.00) per acre by the number of acres or fraction thereof as determined by a survey to be made at the expense of Buyer. After the first year, the purchase price per acre shall escalate at a rate of five percent (5%) per year as follows:

Year 2002	$\$1100/\text{acre} + 5\% = \$1155/\text{acre}$
Year 2003	$\$1155/\text{acre} + 5\% = \$1213/\text{acre}$
Year 2004	$\$1213/\text{acre} + 5\% = \$1274/\text{acre}$
Year 2005	$\$1274/\text{acre} + 5\% = \$1338/\text{acre}$
Year 2006	$\$1338/\text{acre} + 5\% = \$1405/\text{acre}$

The Option Money for "Parcel B" shall be applied as part payment of the purchase price at the closing. The balance of the Purchase Price shall be paid in immediately available funds at the Closing.

In computing the acreage contained within the Real Property, lands owned by any governmental entity or agency, rights of way for railroads, public roads including any roads that may be used under a claim of prescriptive right, utility lines, lands in possession of any third party, and any lands below the ordinary high water line or mean high water line of any lake or stream shall be excluded.

3. **Closing.** The consummation of the purchase and sale transaction contemplated herein (the "Closing") shall take place at a mutually agreeable time and place within thirty (30) days following the date of the notice exercising the Option for either "Parcel A or B" (the "Closing Date").

4. **Representations.**

(a) Any documents, cruises, compilations, timber inventories, surveys, plans, specifications, reports and studies made available to Buyer by Seller are provided as information only. Seller has not made, does not make, and has not authorized anyone else to make any representation as to: (i) the existence or non-existence of access to or from the Real

Property or any portion thereof; (ii) the number of acres in the Real Property; (iii) the volume, condition or quality of timber on the Real Property; (iv) logging conditions or feasibility; (v) the volume, condition or quality of minerals on the Real Property; (vi) the availability of railroad, water, sewer, electrical, gas or other utility services; (vii) the environmental conditions or requirements of the Real Property; (viii) the suitability of the Real Property for any purpose; (ix) the current or projected income or expenses of the Real Property; or, (x) any other matters related to the Real Property. **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 REAL PROPERTY, INCLUDING WITHOUT LIMITATION ANY WARRANTY RELATING TO THE CONDITION OF THE REAL PROPERTY, ITS SUITABILITY FOR BUYER'S PURPOSES OR THE STATUS OF THE PROPERTY'S MAINTENANCE OR OPERATION. SELLER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT THE REAL PROPERTY MAY BE USED FOR ANY PURPOSE WHATSOEVER.**

(b) Buyer expressly acknowledges that: (i) Seller has not made any representations or warranties whatsoever concerning the Real Property or any matters pertaining to the Real Property; and (ii) in entering into this Option Agreement, Buyer is not relying on any such representations or warranties.

(c) Buyer has examined and inspected or shall fully examine and inspect the Real Property and become thoroughly familiar with the title, condition, status and suitability of the Real Property. Unless Buyer terminates this Option Agreement by reason of any right to do so under this Option, Buyer is willing to and Buyer shall purchase the Real Property and Seller shall sell the Real Property "AS IS, WHERE IS, with all faults" at the Closing.

5. **Deed of Conveyance.** At the Closing, Seller shall execute and deliver its Special (Limited) Warranty Deed conveying to Buyer title to "Parcel A" and/or "Parcel B", and warranting title against the claims of all persons claiming by, through or under Seller, but against none other; the conveyance and the foregoing warranty being subject to the following (collectively, the "Permitted Exceptions" to said warranty):

(a) liens for-taxes and assessments for 2001 and subsequent years;

(b) all land use (including environmental and wetlands), building and zoning laws, regulations, codes and ordinances affecting the Real Property;

(c) any rights of the United States of America, the State of Florida or others in the use and continuous flow of any brooks, streams or other natural water courses or water bodies within, crossing or abutting the Real Property, including, without limitation, riparian rights and navigational servitudes;

- (d) title to that portion of the Real Property, if any, lying below the mean high water mark of abutting tidal waters;
- (e) all easements, rights-of-way, licenses and other such similar encumbrances of record;
- (f) all existing public roads and streets and all railroad and utility lines, pipelines, service lines and facilities;
- (g) all encroachments, overlaps, boundary line disputes, shortages in area, cemeteries and burial grounds and other matters not of record which would be disclosed by an accurate survey or inspection of the Real Property;
- (h) prior reservations or conveyances of mineral rights or mineral leases of every kind and character; and
- (i) any loss or claim due to lack of access to any portion of the Real Property.

6. **Title Insurance.** Seller shall obtain, at its expense, a commitment for a fee owner's title insurance policy showing the title to be marketable and subsequently a title insurance policy. It is an obligation of Seller to furnish marketable title to the Property, free and clear of all liens, defects and encumbrances, except those listed above or otherwise acceptable to Buyer.

7. **Title Examination.** During the applicable Option Period, Buyer may examine the title to "Parcel A" and "Parcel B" and furnish Seller with a written statement of any title objections other than Permitted Exceptions. If the title is unmarketable or uninsurable, the Seller shall have thirty (30) days or a reasonable period of time within which to cure the designated defects in the title that render same unmarketable or uninsurable in the opinion of the Buyer or his agent, and the Seller hereby agrees to use reasonable diligence in curing said defects, and upon the defects being cured and notice of that fact being given to the Buyer or his Agent, this transaction shall be closed pursuant to Paragraph 3 above. Upon Seller's failure or inability to correct the unmarketability of the title within the time limit or a reasonable period of time, at the option of the Buyer, either (1) Buyer may waive such defects and proceed to Closing with the Seller delivering the title in its existing condition, or (2) this Option Agreement shall be null and void, and all rights and liabilities on the part of the Buyer and Seller arising hereunder shall terminate. Provided, however, that in the event of disagreement between the Seller and the Buyer or his said Agent, as to the marketability of the title, the Seller may offer a binder of a reputable and solvent title insurance company in this area, agreeing to insure said title against all exceptions other than those mentioned in this agreement and the standard printed exceptions, which binder shall be conclusive that said title is marketable, said Binder and policies pursuant thereto shall be paid for by the Buyer.

8. **Survey.** The Buyer shall, at its expense, furnish no later than 15 days prior to the closing date referred to herein, a boundary survey, which shall be prepared by a registered land

surveyor. If the survey shows any encroachments upon or shortages in the land herein described or that any improvements located on the land herein described encroach on the land of others, the Seller shall have the same time to cure such defect as the Option allows to cure defects of title. Failure to so eliminate such encroachments shall be regarded as a default by the Seller.

9. **Prorations and Expenses.** All real estate ad valorem taxes and annual special charges for the calendar year of closing shall be prorated as of the Closing Date. Seller, at or before closing, shall pay any taxes then due on the property. Seller shall pay for the state transfer taxes and will prepare the Deed. Buyer shall pay for all costs of recording. Buyer and Seller shall each pay their own attorneys' fees.

10. **Inspections.** Buyer, its agents and representatives, shall have the right to go on the Real Property during the Option Period at reasonable times to make engineering, soil report and other inspections and feasibility studies. Buyer, to the extent permitted by law, hereby covenants and agrees to indemnify and hold Seller harmless from any loss, liability, costs, claims, damages, demands, actions, causes of action and suits caused by the exercise of Buyer's rights under this paragraph. The indemnity contained herein shall expressly survive the closing and delivery and recording of the limited warranty deed or the expiration or termination of this Option Agreement.

11. **Real Estate Commission.** Seller will not pay any brokerage, commissions, or finders fees related to this transaction and Buyer agrees to indemnify and save harmless, to the extent permitted by law, Seller from and against any brokerage, commissions or finders fees made by anyone in connection with this transaction. The indemnity contained herein shall expressly survive the closing and delivery and recording of the limited warranty deed or the expiration or termination of this Option Agreement.

12. **Casualty Loss.** If, prior to the Closing, the value of the Real Property is materially impaired by fire, casualty, act of God or exercise of eminent domain powers, the Buyer shall have the right to terminate this Option Agreement by giving written notice to the Seller in which case the Option Money shall be refunded to Buyer.

13. **Eminent Domain.** Buyer represents and warrants that Buyer has the legal authority to acquire the Real Property through eminent domain. Buyer acknowledges that it has previously indicated its ability to take the Real Property through an eminent domain proceeding in the absence of a purchase and sale agreement. Both Buyer and Seller acknowledge that this Option is made in lieu of any such proceedings in eminent domain. At Closing, Buyer shall deliver a letter from Buyer reasonably acceptable to Seller memorializing Buyer's expression of ability to utilize its eminent domain powers to acquire the Real Property.

14. **Remedies.** If this Option is not exercised by Buyer within the time provided, this Option Agreement shall become void and the Option Money shall be forfeited by Buyer to Seller. If this Option is exercised in accordance with this agreement and the sale is not closed due to Buyer's default, the Seller shall retain the Option Money as its liquidated damages. If,

after the exercise of this Option, the sale is not consummated due to Seller's default, the Option Money shall be promptly refunded to Buyer.

15. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and shall be deemed properly given on a date personally delivered by messenger service, overnight courier service or telecopy (facsimile) transmission, or three (3) days after same is deposited with the United States Postal Service by registered or certified mail, postage prepaid, return receipt requested, to the parties at the following address or telecopy/facsimile numbers:

**SELLER:** THE TIMBER COMPANY  
Post Office Box 157  
Gulf Hammock, Florida 32639  
Attn: Greg Galpin  
Telecopier: (352) 486-3181

With a copy to: THE TIMBER COMPANY  
100 Peachtree Street, N.W.  
Suite 2650  
Atlanta, Georgia 30303  
Attn: Elizabeth Fee  
Telecopier: (404) 586-9388

**BUYER:** GAINESVILLE REGIONAL UTILITIES  
Post Office Box 147117, Station A-130  
Gainesville, Florida 32614-7117  
Attn: Real Estate Division  
Telecopier: (352) 334-2989

16. **Real Property Management and Timber Reservation.** Seller shall reserve the right to manage the Real Property, including the existing lease as described in Exhibit "B" attached hereto, provided however, Seller may not enter into any additional leases without prior written consent of Buyer, and all timber now or hereafter located on the Real Property in perpetuity (the "Reserved Timber"), together with the rights to plant, manage, conduct silvicultural enhancements (including intermediate thinnings), harvest and remove the Reserved Timber and together with full rights of ingress and egress (the Reserved Timber and such rights collectively the "Seller's Reserved Rights"), subject to the following limitations and restrictions:

- (a) Seller shall give Buyer annual notification of the schedules for any silvicultural enhancement operations and harvesting of the Reserved Timber. Said notice should be sent as provided in Paragraph No. 15 with a copy to: Gainesville Regional Utilities, Vegetation Management Department, Attn. Utility Forester, P.O. Box 147117, Sta. S150, Gainesville, FL 32614-7117. Seller shall have the right from time to time to enter the Real Property as may be reasonably necessary to conduct silvicultural enhancement operations and harvest the Reserved Timber.

(b) In exercising Seller's Reserved Rights, Seller shall not damage any improvements on the Real Property and shall exercise good forestry management and practices as identified in the Florida Division of Forestry Silviculture Best Management Practices Manual, 1993, or such later edition as may be in effect.

(c) Notwithstanding anything contained herein to the contrary, Buyer's rights to occupy and utilize the Real Property, or any part thereof, shall be superior to Seller's Reserved Rights. In the event that Buyer's use of the Real Property should ever conflict with Seller's management and harvest of the Reserved Timber, Buyer and Seller shall use reasonable efforts to resolve the conflict in a manner that (i) will not unreasonably interfere with the Buyer's use of the Real Property, (ii) will permit Seller to harvest as much of the Reserved Timber as is possible, and (iii) compensate Seller for the loss of the use of the Real Property or portion thereof for the purpose of growing and harvesting timber as set forth under the terms of Paragraph 17 hereof.

(d) Seller shall strictly enforce the terms and conditions of the existing lease as described in Exhibit "B" attached hereto. Seller shall provide Buyer a copy of the lease renewal documents annually, including certificate of liability insurance.

17. **Release of Timber Rights.** Buyer shall have the right to secure the release of certain portions of the Real Property from Seller's Reserved Rights (a "Release") for the purpose of developing the Real Property for Buyer's use, under the following terms and conditions:

(a) To exercise its rights under this paragraph, Buyer must provide Seller with a survey plat of the area Buyer intends to have released (a "Release Area") and have said site staked out on the ground for Seller's inspection at least twelve (12) months before Buyer secures the release of the Timber Rights on this portion of the Real Property.

(b) During the 12-month period following receipt of said survey plat, Seller shall have the right to harvest all merchantable timber within the Release Area. Merchantable timber for the purposes of this paragraph is as follows: Planted Pine Timber greater than 16 years of age; and all Natural Timber (Pine, Cypress and Hardwood) greater than 25 years of age. Following the expiration of the 12-month period, Buyer shall pay Seller, as compensation for the Seller's Reserved Rights within the Release Area as follows:

(i) The Total Net Present Value (NPV) of all merchantable and pre-merchantable timber stands (Planted Pine Timber and Natural Timber) within the Release Area at the time of notification of the Release as provided above in

subparagraph (a). Total NPV is the summation of the NPVs of each respective timber stand within the Release Area, calculated on an individual wood product basis (e.g. pine pulpwood, pine chip-n-saw, pine sawtimber, hardwood sawtimber, hardwood pulpwood, cypress sawtimber and cypress pulpwood; or other like products then being produced at the time of the Release) and from the age of the final harvest to the date of the Release. The final harvest age or rotation for the purposes of this paragraph will occur at age 30 for Planted Pine Timber stands and at age 45 for Natural Timber stands.

(ii) The Total Soil Expectation Value (SEV) for each merchantable and pre-merchantable timber stand on a per acre basis for each timber stand within the Release Area at the time of notification of the Release as provided above in subparagraph (a). Total SEV is the Net Present Value (NPV) of a series of never ending rotations for a timber stand beginning at the time of reforestation, using the following formula:

$$SEV = a/(1 + i)^w - 1$$

a = the present value of all income derived during a rotation minus the present value of all costs incurred during the rotation

w = the rotation length in years (30 for Planted Pine Timber stands and 45 for Natural Timber stands)

i = the interest rate

(b) Current stumpage prices per ton, then being paid at the time of the Release for like individual wood products ( pine pulpwood, pine chip-n-saw, pine sawtimber, hardwood sawtimber, hardwood pulpwood, cypress sawtimber, and cypress pulpwood; or other like products then being produced at the time of the Release) in Alachua County based on Seller's specifications at the time of the Release will be the basis for the calculation of the amount Buyer will pay Seller as compensation for Seller's Reserved Rights within the Release Area (Total NPV + Total SEV). Each party will present their opinion of current stumpage prices to the other in writing. Following this disclosure of comparable information Seller and Buyer (GRU's Vegetative Management representative) shall negotiate the current stumpage prices for the individual wood products involved in the Release.

(d) Seller will provide Buyer with the NPV and the SEV for each of the merchantable and pre-merchantable timber stands within the Release Area and the assumptions used for the calculation of these values. This includes the discount rate and general steps or software program assumptions used in determining the values for each respective timber stand within the Release Area.

(e) If Buyer and Seller are unable to agree on current stumpage prices, the Total NPV or the Total SEV as provided by Seller to Buyer for the Release Area, then an independent forestry consulting firm will be jointly selected



to perform a market analysis to determine the current stumpage values, the Total NPV, and the Total SEV for the Release Area. The cost associated with having an independent forestry consulting firm provide this analysis and valuation will be shared equally by Seller and Buyer. It is the intent of the Buyer and Seller to have the independent forestry consulting firm complete the analysis and valuation in a timely manner, not to exceed a total of thirty days.

(f) Release Areas will be contiguous to property ownership boundaries existing at the time of the Release and shall contain a minimum of forty (40) acres (with the exception of smaller areas to be cleared for easements).

(g) In exercising Buyer's rights under this paragraph, Buyer shall not damage any unreleased Timber on the remaining Real Property.

18. **Right of First Refusal.** Should Seller desire to sell Seller's Reserved Rights, Seller shall first offer the same to Buyer for the same price and on the same terms as Seller has received in a bona fide offer to purchase. After receipt of a notice of intent to sell in writing from Seller, Buyer shall have ninety (90) days to accept or reject the offer. If Buyer elects to purchase the Seller's Reserved Rights, the transaction shall close on the date as set forth in the offer or thirty (30) days from Buyer's acceptance, whichever is later. If Buyer shall fail, neglect or refuse to purchase Seller's Reserved Rights within said ninety (90) day period; Seller shall be free to sell Seller's Reserved Rights to a third party. Notwithstanding anything contained herein to the contrary, Seller may at any time and without prior notice to Buyer (a) sell or convey Seller's Reserved Rights to one or more affiliated corporations or entities, and (b) enter into timber deeds and timber sale agreements conveying rights to Reserved Timber, provided that the duration of each such timber deed or timber sale agreement is less than (5) years.

19. **Environmental Audit.**

(a) At any time between the date hereof and prior to closing Buyer shall cause an environmental audit (Phase I) to be conducted on the Property. Should Buyer determine in its sole discretion, after review of the Phase I environmental audit that there may be hazardous wastes, as defined in any Federal or State of Florida statute defining hazardous waste and hazardous substance, released on the property, Buyer may terminate this Option, in which event the Option shall be void and neither party shall owe any obligation one to the other hereunder.

(b) Upon the disclosure of contamination on the Property, the closing may be extended, at the request of either party, granting the parties sufficient time to conduct further examination and studies on the Property to determine the location and extent of the contamination. In the event Buyer determines that any of the Property contains hazardous waste or substances, Buyer may exclude those lands, and this transaction shall close as to the remaining lands. Seller may retain an

easement to the excluded lands in the event the exclusion shall cause those lands to be landlocked.

(c) If after closing Buyer discovers that hazardous wastes as defined in this paragraph were placed on the Property prior to closing, Buyer may advise Seller, in which event Seller shall take such remedial action as required by said environmental acts and any similar State of Florida Statute.

20. **Assignment.** Buyer shall not, without Seller's prior written consent, assign Buyer's rights hereunder to any person, firm, partnership or corporation, whether by operation of law or otherwise.

21. **Time.** Time is of the essence of this Option and whenever a date or time is set forth in this Option, the same has been entered into and formed a part of the consideration for this Option.

22. **Possession.** Possession of "Parcel A" and/or "Parcel B" shall be granted to Buyer at the Closing.

23. **Cooperation.** Each of the parties shall perform all such other acts and things and execute such other and further documents as may be necessary to carry out the intent and purposes of this Option.

24. **Counterparts.** This Option may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. **Survival of Terms.** The obligations and representations of the Seller herein, including but not limited to the provisions of paragraphs 16, 17, 18 and 19 hereof, shall survive the closing and shall be separately enforceable by Buyer at any time after closing.

26. **Contingencies.** The closing upon exercising of this Option is contingent on the following:

(a) **Availability of Funds.** The parties agree that Buyer may delay the closing until funds are available. In the event it shall take more than 120 days for funds to be available after notice of closing, either party may terminate this Option by giving written notice to the other, which notice must be given within 10 days after the said 120-day period.

(b) **Approval of the City of Gainesville Commission.** In the event the City Commission does not act to approve and ratify this Option within thirty (30) days of its execution, it shall be terminated and the Seller and Buyer shall be relieved of all obligations under this Option.

26. **Complete Agreement.** This Option contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All changes, additions, or deletions hereto must be in writing and signed by all parties.

IN WITNESS WHEREOF, the parties hereto set their respective hands and affixed their seals this 20<sup>th</sup> day of September, 2001.

**SELLER:**

**NPC TIMBER, INC.**

BY:  *gr*

NAME: Donald L. Glass

TITLE: President

**BUYER:**

**CITY OF GAINESVILLE**

BY: 

NAME: Michael L. Kurtz

TITLE: General Manager for Utilities

Approved as to form and legality:

By: 

Raymond O. Marasco, Jr.

Utilities Attorney

City of Gainesville, Florida

## EXHIBIT "A"

**Parcel "A" Description: A 1,153 acre parcel lying in the following Townships, Range and Sections of Alachua County, Florida:**

### Township 8 South - Range 19 East

<u>Section</u>	<u>Description</u>
23	That portion of the S1/2 lying South of County Road NW 128 <sup>th</sup> Lane
24	That portion of the SE1/4 of the SW1/4 lying West of State Road 121 right-of-way
25	That portion of Government Lots 1, 2 and 3 lying West of State Road 121 right-of-way; the S 1/2 of Government Lot 4; and the S 1/2 of said Section 25 lying West of the East boundary line of the Florida Gas Transmission Company Easement as described in O.R. Book 48, page 205, and North of the City of Gainesville's Electric Transmission Easement.
26	The E 1/2 lying North of the City of Gainesville's Electric Transmission Easement
35	The N ½ of the E ½ lying South of the City of Gainesville's Electric Transmission Easement (or Government Lots 1 and 2 lying South of the City of Gainesville's Electric Transmission Easement)
36	The N ½ lying West of the East boundary line of the Florida Gas Transmission Company Easement as described in O.R. Book 48, page 205; and lying South of the City of Gainesville's Electric Transmission Easement.

**Parcel "B" Description: A 1093 acre parcel lying in the following Sections of Township 8 South, Range 19 East, Alachua County, Florida:**

<u>Section</u>	<u>Description</u>
21	That portion of the N1/2 of the NE1/4 of the SE1/4 lying East of County Road NW 31 Street
22	The S1/2 lying North of County Road NW 128 <sup>th</sup> Lane and except the following described parcel; Commence on the South line of said Section 22, at a point 1,556.38 feet Easterly from the Southwest corner thereof; thence North 02°06'49" East, 37.00 feet to a point on the Northerly right-of-way line of County Road NW 128 <sup>th</sup> Lane, and the Point of Beginning; thence North 88°57'14" East along said Northerly right-of-way line a distance of 968.00 feet; thence North 02°06'49" East, 450.68 feet; thence South 88°57'14" West, 968.00 feet; thence South 02°06'49" West, 450.68 feet to the Point of Beginning.

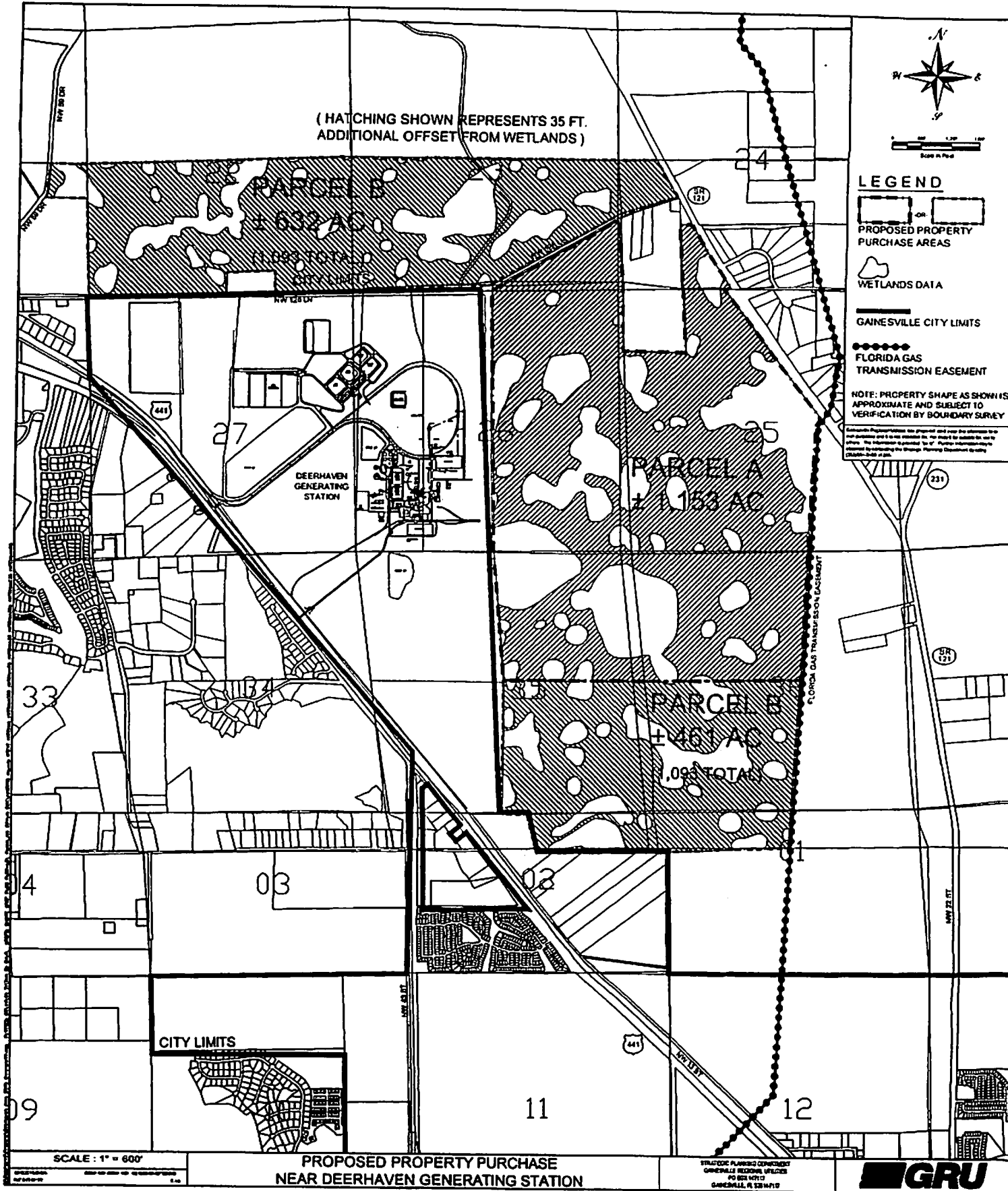
## EXHIBIT "A" CONTINUED

- 23 That portion of the S1/2 lying North of County Road NW 128<sup>th</sup> Lane
- 24 The NW1/4 of the SW1/4 lying West of State Road 121 and North of County Road NW 128<sup>th</sup> Lane
- 35 The S ½ of the E ½ (or Government Lots 7 and 8 )
- 36 The S ½ lying West of the East boundary line of the Florida Gas Transmission Company Easement as described in O.R. Book 48, page 205.

### Township 9 South – Range 19 East Outside Grant

<u>Section</u>	<u>Description</u>
Fr. 1	All lying West of the East boundary line of the Florida Gas Transmission Company Easement as described in O.R. Book 48, page 205
Fr. 2	Government Lot 2

# EXHIBIT "A" CONTINUED



## EXHIBIT "B"



### HUNTING LEASE

This Lease, made this 23rd day of July 2000, by and between Nekoosa Packaging Corporation, a Delaware corporation, d/b/a THE TIMBER COMPANY, hereinafter referred to as "LESSOR," and Rocky Creek Hunting Club, whose address is P.O. Box 2288 Alachua Florida 32816-2288, hereinafter referred to as "LESSEE."

#### WITNESSETH:

That LESSOR for and in consideration of the payment of the rental as hereinafter stipulated and in further consideration of the covenants and agreements to be observed, kept and performed by LESSEE and subject to the conditions, stipulations, restrictions and reservations, hereinafter more fully set forth by these presents does lease, let and demise unto LESSEE the exclusive right and privilege, but for the sole and only purpose for him and his invitees and licensees only, to hunt for animals, game, fowl, ferae naturae, in, on and over the lands hereinafter described and to fish in the waters thereon and bordering thereon. The lands in, on, over and upon which the rights and privileges herein granted are situated in Alachua County, Florida, containing 14,453 acres, more or less, more particularly described on Exhibit "A" attached hereto and made a part hereof as if fully incorporated herein (the Premises").

The use of all or any part of the Premises by LESSEE for the purposes aforesaid shall be to the extent necessary for said purposes, and to the extent not necessary that residuum of possession and use of all parts of said Premises shall belong to LESSOR, its agents, employees, tenants, lessees and assigns for other purposes.

This Lease shall be specifically and particularly subject and subordinate to any and all operations and developments, uses and occupations in, on and from the Premises or any part thereof which may now or at any time hereafter be carried on by LESSOR, its tenants or assigns. The Premises may be fully and freely used by LESSOR for lumbering, timbering, residential farming, mercantile and all other lawful purposes, whether of same or similar kind or not.

It is further mutually covenanted, contracted, stipulated and agreed by and between the parties hereto as follows:

## EXHIBIT "B" CONTINUED

1. Nothing herein shall be construed as restricting in any manner the forestry or other operations of LESSOR (including beaver eradication) on the Premises or as granting any rights other than hunting, fishing and trapping rights.

2. The term of this Lease shall commence on September 5, 2000 and extend through September 4, 2001 and continue thereafter from year to year unless written notice of non-renewal is given by either party to the other, not less than fifteen (15) days prior to the renewal date. It is expressly understood and agreed, however, that LESSOR shall have the right and option to terminate this Lease with or without cause at any time upon ten (10) days' written notice to LESSEE. In the event of termination by LESSOR without cause, LESSEE shall be refunded the pro rata portion of advanced, unearned rental paid by LESSEE.

3. LESSEE shall annually furnish LESSOR a current list of any and all of its officers, agents, employees and members.

4. LESSEE, for itself, its agents, employees, guests and invitees, covenants and agrees to fully comply with all of the laws of the state as aforesaid and of the United States now in effect or hereinafter enacted, and all rules and regulations lawfully promulgated and issued thereunder in respect to hunting and fishing on the Premises and the conservation of wildlife and the natural resources therein and thereon. It is fully understood and agreed that nothing herein contained shall be construed, claimed or asserted as granting unto LESSEE any right or privilege in respect to hunting and fishing other than which LESSOR has a lawful right to grant, lease, let and demise. A violation of said rules and regulations shall at LESSOR's election and option be cause for immediate forfeiture and termination of this Lease.

5. LESSEE shall pay to LESSOR in advance on the 4th day of September by U.S. Postal Money Order or certified check an annual rental in the sum of \$55,933.11 which shall be subject to renegotiation for each anniversary lease period.

6. The LESSEE shall not set fires nor allow fires to be set on any portion of the Premises and will use all reasonable effort to suppress any fires that may occur on said Premises during the continuance of the Lease.

7. LESSEE shall reimburse LESSOR for any and all damages due to fire, negligence or vandalism caused by LESSEE its agents, guests, employees, licensees and/or invitees. Such incidents shall at LESSOR's election and option be cause for immediate termination of this Lease.

8. LESSEE covenants and agree that the rights granted hereunder will be so exercised as to not injure, damage or destroy any trees, crops, buildings, fences or other improvements on the Premises.



## EXHIBIT "B" CONTINUED

9. If weather conditions, other conditions or silvicultural activities on the Premises are such that in the sole judgment of LESSOR, the exercise of the rights herein granted to LESSEE will present a hazard to those persons engaged in silvicultural activities or a material fire hazard to the timber and trees on the Premises, LESSEE shall at LESSOR's request discontinue hunting until such time as LESSOR shall advise that conditions have sufficiently improved to permit LESSEE to resume hunting.

10. LESSEE covenants and agrees to pay all taxes, levies and assessments upon all or any part of its interest herein should such interest be levied or assessed upon.

11. LESSEE shall not assign this Lease nor sublet any portion of the Premises. Any attempted or purported assignment transfer or subletting shall be void and shall confer no rights on the assignee transfer or sublessee.

12. The obligations of LESSEE hereto shall not be released or diminished or in any way affected by any indulgence granted by LESSOR or by any failure of LESSOR to enforce any provision of this Lease or any modification, revision, supplement thereof, or by failure of LESSOR to notify LESSEE of any default in the performance thereof, or by any action or non-action of LESSOR, or by the release of any party or parties liable, who might be liable thereon, and LESSEE hereby consents to all such indulgences and all such failures to enforce and to all such action or non-action of LESSOR or to the release of any party or parties liable who might be liable thereon and hereby waives all notice of default.

13. LESSEE shall not erect any type of road barrier without prior written approval of LESSOR. It is further understood and agreed that under no circumstances shall LESSEE place a cable barrier across any road or passageway.

14. LESSEE, its agents, servants, guests, employees, licensees or invitees shall not be considered the agents or employees of LESSOR, and at no time shall they hold themselves out or represent themselves to be agents or employees of LESSOR.

15. No structures, buildings, powerlines, waterlines, roads or other improvements shall be erected or constructed by LESSEE upon the Premises pursuant to this Hunting Lease. No deer stands shall be placed, erected or constructed on any improved road right-of-way that would impede the maintenance of said right-of-way.

## EXHIBIT "B" CONTINUED

16. LESSOR shall have no obligation to prevent trespassing, including poaching on the Premises and assumes no responsibility for the acts of any third parties thereon. LESSEE shall have the right at its sole risk and expense to post said lands and (subject to the reserved rights of LESSOR) exclude trespassers.

17. All property of every nature and description that may be on the premises during the continuance of this Lease shall be at the sole risk of LESSEE, and LESSOR shall not be liable to LESSEE or any other person for injury, loss or damage to any person or property on the premises.

18. LESSEE specifically agrees to protect, defend, indemnify, and hold harmless LESSOR, its agents, officers and employees, from and against any and all losses, costs, expenses, attorneys' fees, damages, liabilities, suits, actions, recoveries and judgments of every nature or description, whether arising directly or indirectly out of this Agreement or the use of the Premises by LESSEE, its agents, guests, employees, and/or invitees, including liabilities imposed by separate indemnity agreements and further including any negligence or fault, whether active or passive, on the part of LESSOR which constituted a concurring cause of the injuries or damages sustained except when caused by the sole negligence of LESSOR. In executing this Agreement, LESSEE expressly agrees to the above indemnity provisions and states that LESSEE intends to specifically bind itself to indemnify LESSOR in every instance set forth above. LESSEE agrees at LESSEE's sole cost and expense to defend against any and all actions, suits or other proceedings arising directly or indirectly out of this Agreement or the use of the Premises by LESSEE, its agents, guests, employees and/or invitees, including liabilities imposed by separate indemnity agreements and further including negligence or fault, whether active or passive on the part of LESSOR except the sole negligence of LESSOR and to pay or satisfy any judgment or decree which may be rendered against LESSOR in any such action, suit or legal proceeding or which may result therefrom. To the extent that any of the obligations imposed by Paragraph 18 shall not be enforceable under applicable law it is the intent of the parties that the provisions of Paragraph 18 shall be construed to impose only such obligations on LESSEE and LESSOR as shall be enforceable under applicable law. LESSOR shall, at its option, however, have full control of any defense of such suits, and LESSOR shall at all times have the option of choosing the attorney or attorneys to perform the professional services involved.

19. LESSOR agrees to purchase on behalf of LESSEE general liability coverage, covering Premises/Operations liability and liability protection for occurrences arising out of activities and operations of LESSEE and its members, guests, invitees, agents or employees, with minimum limits of \$2,000,000 general aggregate. This policy of insurance will list LESSEE as a named insured and LESSOR as an additional insured. LESSEE acknowledges that the annual rental rate set forth in Paragraph 5 includes an amount to reimburse LESSOR for LESSEE's proportionate share of the premium paid for this policy of insurance. This policy of insurance shall be deemed to

## EXHIBIT "B" CONTINUED

provide primary coverage, exclusive of any insurance of LESSOR covering the same risk, and shall be exhausted first notwithstanding the existence of any insurance of LESSOR covering the same risk. The maintenance of this insurance shall not in any way operate to limit the liability of LESSEE to LESSOR under this Hunting Lease. LESSOR makes no representations or warranties as to the sufficiency of the coverage afforded to LESSEE under this policy. LESSEE expressly acknowledges that LESSOR has not made any representations or warranties whatsoever concerning this policy of insurance. For further information concerning this coverage or to request a certificate of insurance or copies of the policy, contact the Davis-Garvin Agency at 800-845-3163.

20. LESSEE agrees to take good and husbandly care of the Premises and to return same to LESSOR upon termination of this Lease in the same condition as that in which received, ordinary wear and tear excepted. This care includes:

- a. No littering;
- b. No nails, spikes, wire or other metal shall be imbedded in, or used to attach anything to any tree, living or dead;
- c. The use of trucks, automobiles, tractors, jeeps and other similar licensed vehicles shall be restricted to existing established woods roads.
- d. Exercising proper caution and care to avoid damage to roads and trails and areas which have been water barred, seeded or planted.

21. This Lease shall be administered for LESSOR and all contacts with LESSOR shall be directed to the following location:

The Timber Company  
Attn: Bill Schiltzkus  
P.O. Drawer 2530  
Hawthorne FL 32640  
(352) 481-6118 ext 12

22. LESSEE hereby acknowledges that LESSOR has informed LESSEE of its policy that being under the influence of, bringing in, possessing, providing, manufacturing, or other production of, buying, selling or using unauthorized drugs or controlled substances on the Premises is strictly prohibited. LESSEE understands and agrees that LESSEE, its agents, employees, guests and invitees will follow this policy during the term of this Lease. LESSEE further agrees to report to the proper law enforcement authorities or LESSOR, either locally or anonymously to the G-P Hotline at 1-800-234-4321, any observed or suspected marijuana or other controlled substance growing or being manufactured on the Premises.

**EXHIBIT "B" CONTINUED**

23. This Lease is granted and accepted without warranty of title and subject to all liens, servitudes, oil, gas and mineral leases, or other encumbrances, whether or not of record. In the event of title failure, LESSOR's liability shall be limited to the return of the annual rental on a prorata basis for the year in which title failure occurred.

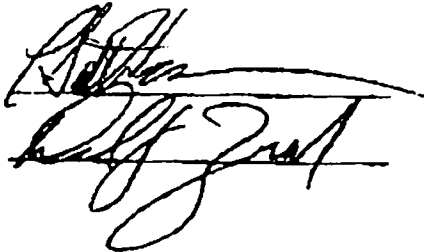
24. The Premises and all structures or improvements subject to this Lease are leased by LESSOR to LESSEE as-is, where-is, with all faults, and without warranty, express or implied, as to any matter whatsoever, including without limitation, the condition of said Premises, structures or improvements, their merchantability or fitness for any particular purpose. LESSOR does not make any warranties, express or implied, that such structures or improvements can be used for any purpose whatsoever.

25. Special Provisions:

IN WITNESS WHEREOF, the undersigned have hereunto affixed their hands and seals on the day and year first hereinabove written.

WITNESSES:

Nekoosa Packaging Corp. d/b/a  
THE TIMBER COMPANY ("LESSOR")

  
\_\_\_\_\_  
\_\_\_\_\_

By By R. H. Hill  
Title OPER. MGR

WITNESSES:

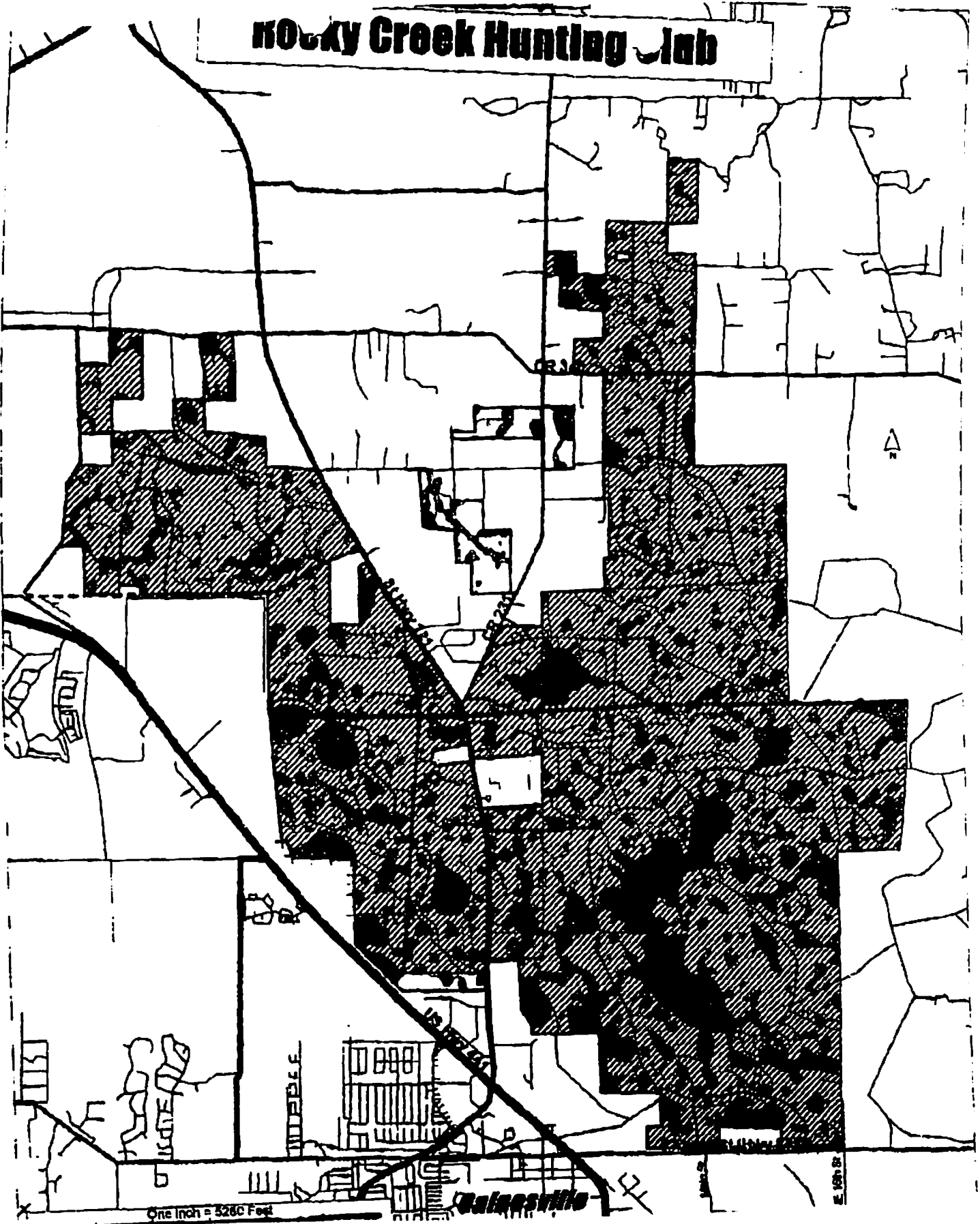
Rocky Creek Hunting Club  
("LESSEE")

Wesley A Carter  
Wesley A Carter

By Roy Hancock  
Title President

EXHIBIT "B" CONTINUED

**Rocky Creek Hunting Club**



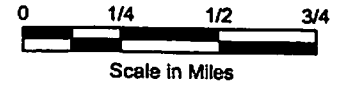
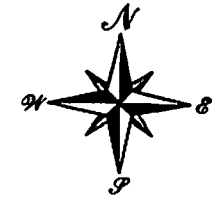
(HATCHING SHOWN REPRESENTS 35 FT.  
ADDITIONAL OFFSET FROM WETLANDS)

**PARCEL B**  
**1,632 AC**  
(7,095 TOTAL)

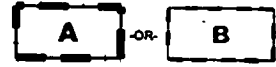
**DEERHAVEN  
GENERATING  
STATION**

**PARCEL A**  
**1,153 AC**

**PARCEL B**  
**1,461 AC**  
(7,095 TOTAL)



**LEGEND**



**PROPOSED PROPERTY  
PURCHASE AREAS**

**WETLANDS DATA**

**GAINESVILLE CITY LIMITS**



**FLORIDA GAS  
TRANSMISSION EASEMENT**

**NOTE: PROPERTY SHAPE AS  
SHOWN IS APPROXIMATE AND  
SUBJECT TO VERIFICATION BY  
BOUNDARY SURVEY**

Gainesville Regional Utilities has prepared and uses this information for its own purposes and it is not intended for, nor may it be suitable for, use by others. The information is provided "as is". Further information may be obtained by contacting the Strategic Planning Department by calling (352)334-3400 x1288.

**STRATEGIC PLANNING DEPARTMENT  
GAINESVILLE REGIONAL UTILITIES  
PO BOX 147117  
GAINESVILLE, FL 32614-7117**

FILE - DEERHAVEN AREA 3606 CONCEPTS882.DWG PLOTTED 08/23/01

**PROPOSED PROPERTY PURCHASE  
NEAR DEERHAVEN GENERATING STATION**

