

OPTION CONTRACT

Option given this ____ day of _____, 2007, by REINHOLD CORPORATION, P. O. Box 515, Penney Farms, Florida ("Reinhold"), which hereby grants to the SCHOOL DISTRICT OF CLAY COUNTY, FLORIDA, 900 Walnut Street, Green Cove Springs, Florida, ("District"), the exclusive right and option to purchase, on the terms and conditions set herein, that certain real property in Clay County, Florida, more particularly described as follows:

School Site "X"

For a point of reference, commence at the north line intersection of the southeast $\frac{1}{4}$ of Section 32 with the southwest $\frac{1}{4}$ of Section 33, all in Township 5 south, Range 25 east, Clay County, Florida; thence north $89^{\circ}56'34''$ west, departing from said point and along the north line of the southeast $\frac{1}{4}$ of Section 32, a distance of 161.74 feet; thence south $00^{\circ}00'00''$ east, departing from said north line a distance of 711.82 feet to the point of beginning; thence south $90^{\circ}00'00''$ east, a distance of 1000.00 feet; thence south $00^{\circ}00'00''$ east, a distance of 1089.00 feet; thence north $90^{\circ}00'00''$ west, a distance of 1000.00 feet; thence north $00^{\circ}00'00''$ west, a distance of 1089.00 feet to the point of beginning.

Road Parcel

For a point of reference, commence at north line intersection of the southeast $\frac{1}{4}$ of Section 32 with the southwest $\frac{1}{4}$ of Section 33, all in Township 5 south, Range 25 east, Clay County, Florida; thence north $89^{\circ}46'34''$ East, departing from said point and along the north line of the southwest $\frac{1}{4}$ of Section 33, a distance of 678.27 feet to the point of beginning; thence south $00^{\circ}00'00''$ east, departing from said north line a distance of 714.31 feet; thence south $90^{\circ}00'00''$ east, a distance of 100.00 feet; thence north $00^{\circ}00'00''$ west, a distance of 664.70 feet; thence north $89^{\circ}46'31''$ east, a distance of 1648.76 feet to a point in the east right-of-way line of County Road No. 218; thence north $00^{\circ}19'28''$ west along said easterly line a distance of 100.00 feet; thence south $89^{\circ}46'34''$ east, departing said easterly line, a distance of 1748.19 feet; thence south $00^{\circ}00'00''$ east, a distance of 50.00 feet to the point of beginning.

School Site X and the Road Parcel are sometimes referred to herein collectively as the "Property."

The terms and conditions of this Option are as follows:

1. **OPTION CONSIDERATION.** The consideration for this option contract shall be ten dollars (\$10.00), which sum, if District exercises this option, shall apply toward the purchase price.

2. **OPTION TERM.** District shall have ninety (90) days from date of execution hereof within which to give notice to Reinhold in writing of its intention to exercise this option.

3. **CLOSING DATE.** The closing of the transaction shall take place in the office of District's attorney within 30 days from the date of the notice of intent to exercise this option. Reinhold shall convey the Property to District at closing by special warranty deed, subject to the matters set forth in Section 5 below.

4. **PURCHASE PRICE.** In the event District elects to exercise this option, it shall pay Reinhold the purchase price of **\$1,100,000.00**, at closing, together with the fees described in paragraph 2 on **Exhibit A** attached hereto.

5. **PROOF OF TITLE.** District shall, at its expense, obtain a binder of title insurance written by a title insurer acceptable to District, binding said title insurer to issue, after closing, a policy of title insurance insuring the title to the property to be free and clear of all liens or mortgages and subject only to covenants, conditions, restrictions and easements, if any, recorded in the public records of Clay County, Florida, and subject to matters that would be shown by a current survey of the Property, and current real estate taxes not yet due and payable as of the date of closing.

6. **CLOSING COSTS, TAXES, ETC.** The real property taxes on the property shall be prorated between the parties as of the date of the closing. Any outstanding tax certificates for prior years

shall be paid by Reinhold. Reinhold shall pay for Reinhold's attorney's fee, if any. District shall pay for deed stamps, title insurance, property survey, recording of the deed, and its attorney fee.

7. **FAILURE TO EXERCISE OPTION.** If District does not exercise this option in accordance with its terms and within the option period, this option and the rights of District shall automatically terminate without notice.

8. **NOTICES.** All notices provided for herein shall be deemed to have been duly given if and when deposited in the United States mail, properly stamped and addressed to the party for whom intended at the party's above listed address, or when delivered personally to such party.

As to Reinhold: c/o James P. Kuhn
Vice President
Reinhold Corporation
P. O. Box 515
Penney Farms, FL 32079

As to District: c/o Shawanda Watson
Coordinator of Planning & Intergovernmental
Relations
School District of Clay County
900 Walnut Street
Green Cove Springs, FL 32043

9. **BINDING EFFECT.** This option shall be binding upon and shall inhere to the benefit of the parties hereof and to their respective heirs, successors or assigns.

10. **CLOSING CONDITION.** Reinhold warrants as a condition to the execution hereof and the closing of this transaction that, except for hunting leases currently in effect which shall terminate no later than May 1, 2007, and except as disclosed by instruments

recorded in the public records of Clay County, Florida, the property shall not be occupied by them or by anyone else at the time of closing without written consent of District.

11. **TIME OF ESSENCE.** Time is of the essence of this option.

12. **ADDITIONAL MATTERS.** The District and Reinhold agree to the additional terms attached hereto as **Exhibit A**, all of which are incorporated herein by this reference.

13. **AS IS.** If District elects to purchase the Property, it shall accept the same in its "AS-IS" condition.

14. **NO BROKERS.** Reinhold and District each warrants to the other that the party making the warranty has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and that neither has dealt with any broker or finder purporting to act on behalf of any other party with respect to this transaction. This Section shall survive the Closing or any earlier termination of this Agreement.

Witnesses as to Reinhold:

REINHOLD CORPORATION

BY: _____
JAMES P. KUHN
VICE PRESIDENT

SCHOOL BOARD OF CLAY COUNTY,
FLORIDA

CAROL VALLENCOURT
CHAIRMAN

Attest:

DAVID L. OWENS

DATE: _____

SUPERINTENDENT OF SCHOOLS

EXHIBIT A

1. Covenants and Easements. The Road Parcel is a 100 foot wide strip to be used by District as an entrance corridor to provide motor vehicle and pedestrian ingress and egress from CR 218 to the School Site X. In addition to conveying fee simple title to the Road Parcel to District, Reinhold shall also grant a non-exclusive, perpetual easement twenty feet in width adjacent to and along the north boundary of the Road Parcel for the construction, installation, maintenance and repair of underground utility lines to Clay Electric Cooperation, the Clay County Utility Authority and the District. The Road Parcel shall be conveyed to District at closing subject to the following easements, covenants and reservations:

- (a) The Road Parcel shall be conveyed to District subject to a non-exclusive, perpetual easement reserved to Reinhold for ingress and egress over the Road Parcel and for the construction, maintenance, use, repair and replacement of underground utilities and related improvements in the Road Parcel, all for the use and benefit of Reinhold, its successors and assigns. Such reserved easements shall benefit and run with title to all adjacent lands now owned by Reinhold.

- (b) District will be responsible for construction, at its sole expense, of a simple roadway from CR 218 to the School Site X, which will meet the minimum needs of the school. This will include pavement, a sidewalk, drainage swales and underground utilities as needed. Reinhold shall have the right, at the time of the initial road construction, and at any time thereafter, to require that the Road Parcel be upgraded to the standards of a County public road (collector road, four lane road or any other design). If the upgrade is to occur at the time the original road is constructed by District, District shall pay the portion of the cost that would have applied for a simple roadway to the school site, and Reinhold shall pay the cost of any upgrades. If Reinhold elects to make upgrades to the road after it is initially constructed by District, Reinhold shall pay the costs of any upgrade which Reinhold elects to make. Reinhold shall reserve all such perpetual easements and rights over the Road Parcel as are reasonably required to perform such additional road upgrade improvements at any future time. At Reinhold's sole election, Reinhold may use portions of its adjacent land if the road improvements to be constructed by Reinhold require additional width. If Reinhold elects to improve the road to the standards of a public road at any time after completion of the initial construction, then such additional construction shall be performed in such a manner as to permit vehicular access to the School Site during the course of construction of the additional improvements. Upon completion of upgrades to the road which bring it to the standards of a public road (either upon the initial construction of the road or at any time in the future) District shall cooperate as required to dedicate the improved Road Parcel to Clay County, Florida, as a public right of way (by executing a deed of

dedication conveying the Road Parcel to Clay County, or by executing a Plat dedicating the road to public use, or by any other means reasonably required to create a public road), and cause the same thereafter to be held and maintained as a public right of way. If Reinhold chooses not to pay for upgrades, the entrance to the school will be constructed only as a simple driveway to meet the needs of the school.

- (c) District will be responsible for and pay the cost of all improvements required by the County at the CR 218 Intersection (including without limitation deceleration lanes, turn lanes and signalization), associated with construction of the simple roadway described in the first sentence of paragraph 1(b) above. Any additional improvements required by County to the CR 218 Intersection due to the size and complexity of the road as a result of upgrades made at the election of Reinhold, or changes made at the request of Reinhold, shall be paid by Reinhold.
- (d) District, at its own expense, shall (i) fence both sides of the Road Parcel, (ii) install a gate at the west end of the Road Parcel for use by Reinhold, its successors and assigns, to access adjacent lands now owned by Reinhold, (iii) install a gate at the entrance from the Road Parcel to School Site X, and (iv) install a gate at the intersection of the Road Parcel and CR 218 (set back so as not to create traffic hazards on CR 218, in the judgment of District), to which both Reinhold and District shall have keyed access. Reinhold shall have the right, at any time, to install its own additional gates, at its own expense, in the fence along the Road Parcel, for access to adjacent lands.
- (e) District shall construct and maintain a galvanized chain link fence surrounding and completely enclosing the School Site X property, at District's sole expense. Reinhold shall have the option to require District to build an upgraded fence (such as, but not limited to, a painted fence), subject to District's approval of the fence type and design. If Reinhold elects to upgrade the fence, Reinhold shall pay that portion of the cost thereof that exceeds the cost of a galvanized chain link fence.
- (f) All utilities installed by District in the Road Parcel and south to the School Site X shall be underground utilities. District acknowledges that Reinhold is presently in discussions with Clay Electric concerning electric service in the area, but Reinhold has no obligation to bring electric service to the Property.
- (g) Subsequent to the sale of the Property described herein to the District from Reinhold, all issues with respect to compliance of the use of said Property with requirements set forth in the Lake Asbury Master Plan Land Development Regulations or any other land use regulation shall be strictly

and solely between the District and either The Clay County Board of County Commission or the appropriate agency of The State of Florida.

All of the covenants regarding maintenance, use, improvements and dedication, all easements, and all reservations and restrictions described in this paragraph 1 shall be set forth as covenants and reserved easements in the deed from Reinhold to District, as required to create such benefits and obligations as covenants running with title to the Property, for the benefit of Reinhold, its successors and assigns, and for the benefit of all Reinhold's adjacent lands. The final form of the instrument creating the covenants, restrictions and easements shall be subject to the mutual approval of Reinhold and District.

2. No Hunt Buffer. Reinhold shall establish a 450 acre no hunt buffer (as described in the sketch attached hereto as Exhibit B) around the optioned Property for a period of ten years from the date of closing. In addition to the purchase price for the Property, District shall pay to Reinhold at closing an additional \$30,000.00 (subject to partial refund on the conditions set forth below) in consideration for abatement of hunting in the buffer zone for a period of 10 years. Both District and Reinhold recognize that Reinhold's lands surrounding the optioned Property will evolve to residential and/or commercial use over the next few years, thereby necessitating termination of the existing hunting leases by Reinhold. District agrees not to oppose any rezoning or land use changes necessary to permit the surrounding Property to be developed for residential and/or commercial purposes. District and Reinhold agree that the amount paid by District for hunting abatement in the buffer zone will be prorated and a refund shall be made to District for each year that the hunting leases on lands owned by Reinhold adjacent to the 450 acre buffer zone terminate prior to the ten year period.

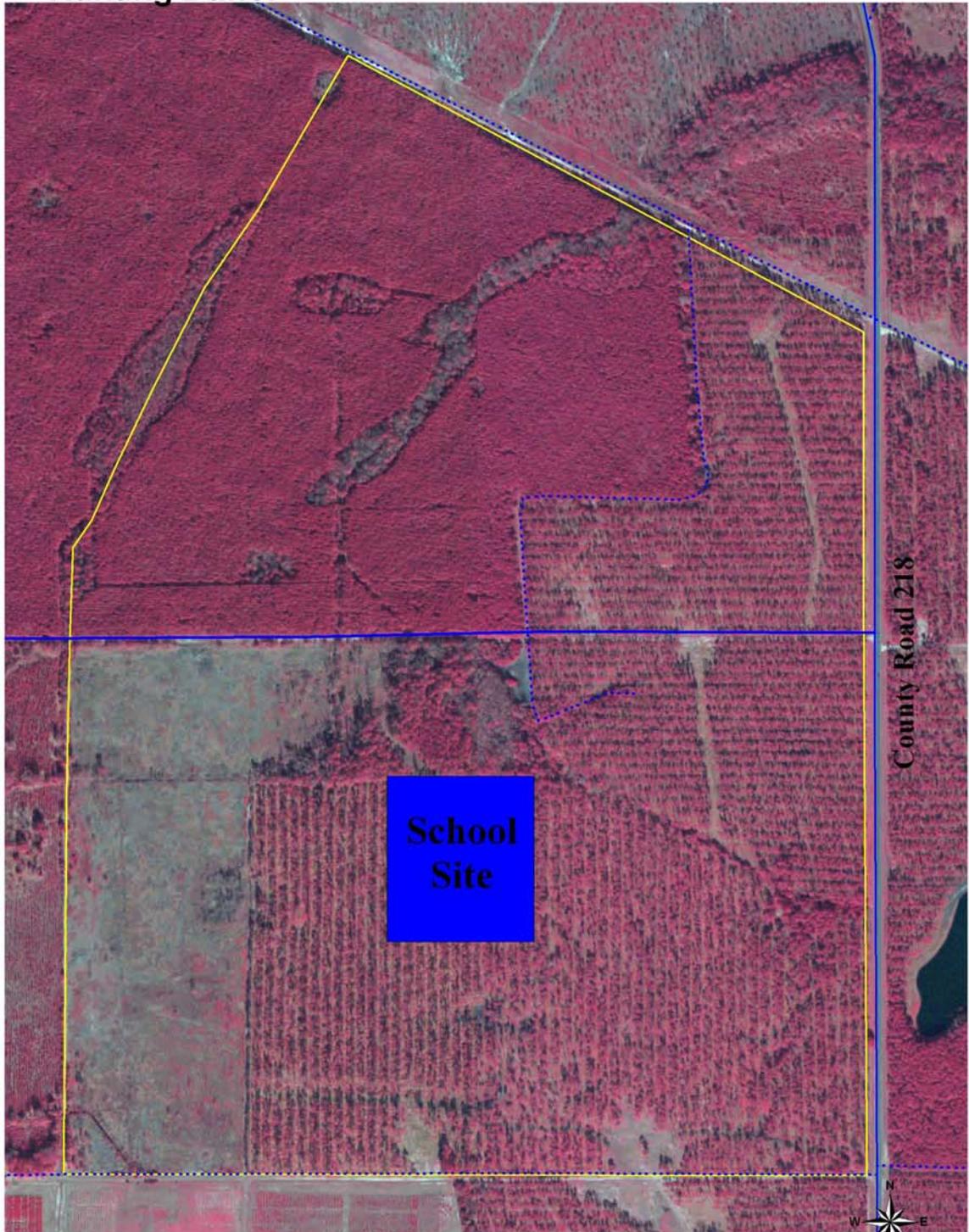
3. Colors. Reinhold shall have the right to suggest exterior colors and roofing material colors for any buildings to be constructed on the Property, and District shall not withhold its consent, provided the colors are within a range of acceptable alternative colors approved by District.

4. Temporary Access. District shall have temporary access to the Property through a road to the south of the Property (the exact location of which shall be designated by Reinhold) to allow for permitting and construction of the main driveway and entrance road in the Road Parcel. The temporary easement shall terminate when the main driveway and entrance road in the Road Parcel are substantially completed. District, at its own expense, shall provide for any stabilization and maintenance of the temporary access road and shall restore the same substantially to its original condition when the temporary access terminates.

5. Drainage. Reinhold shall provide a drainage easement to District for the purpose of an underground drainage line or a drainage swale to be constructed by District at its sole expense, to connect the northwest corner of the Property to an offsite drainage feature. The exact location and design of the drainage easement shall be coordinated with Reinhold and subject to approval by Reinhold.

EXHIBIT B

**Elementary School "X"
Hunting Buffer**



660 0 660 US Feet

04-13-2007