

## RESERVATION AND SALES AGREEMENT

This Reservation and Sales Agreement (the "Agreement") is entered into this \_\_\_ day of \_\_\_\_\_, 2008 (the "Effective Date") by and between Seamark Ranch, Inc., a Florida corporation ("Seller") and School Board of Clay County ("Buyer") whose address is 925 Center Street, Green Cove Springs, Florida 32043.

### PREAMBLE:

Buyer is in the process of permitting a project known as \_\_\_\_\_ located in Clay County, Florida, with the St. Johns River Water Management District ("SJRWMD") Permit Number \_\_\_\_\_ (the "Permit"). It is anticipated that SJRWMD will impose a requirement as a condition to granting the Permit that certain mitigation credits be purchased by Buyer to satisfy the conditions of the Permit. Seller is in the process of obtaining authorization from SJRWMD to allocate certain credits ("Credits"). Seller desires to sell 0.88 Credits to Buyer for the purpose of meeting Buyer's requirements under the Permit. Buyer has determined that the Credits to be allocated by Seller to Buyer will meet Buyer's needs and Buyer therefore desires to obtain an option to acquire the Credits from Seller.

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings herein and the payment of the Deposit, hereinafter defined, 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 Price. The purchase price to be paid by Buyer to Seller for 1 Credits shall be \$135,000.00 per Credit and \$119,340.00 in the aggregate for 0.88 Credits (the "Purchase Price").
3. Reservation. Seller hereby reserves (the "Reservation") 0.88 Credits for Buyer under the terms and conditions set forth herein,
4. Term. Within fifteen (15) days after obtaining authorization from SJRWMD to allocate Credits (the "Authorization Date"), Seller shall notify Buyer in writing of the authorization from SJRWMD. The Reservation shall commence upon the Effective Date and shall expire 120 calendar days after the Authorization Date (the "Expiration Date").
5. Deposit. Upon execution of this Agreement, Buyer shall pay to Seller the sum of \$19,934.00 (hereinafter the "Deposit"). Unless otherwise indicated, the Deposit for each Credit purchased pursuant to the terms and conditions of this Agreement shall be applied against the total Purchase Price for such Credit. The Deposit shall be non-refundable to Buyer unless (a) Seller is unable to obtain authorization from SJRWMD to allocate Credits by April 1, 2008, in which event the Deposit shall be refunded in full to Buyer or (b) Buyer terminates this Reservation as to any Credits, or fractions thereof, in which event the following percentages of the Deposit paid in respect of any Credits, or fractions thereof, in respect of which the Reservation was terminated shall be refunded to Buyer based upon the number of days after the Authorization Date the notice of termination is received by Seller:

<u>If Termination Notice Received</u>	<u>Percentage Refunded</u>
Within 30 days after the Authorization Date	50%
31 days - 60 days after the Authorization Date	40%
61 days - 90 days after the Authorization Date	30%
91 days - 120 days after the Authorization Date	20%

Upon termination by Buyer hereunder, the percentage of any Deposit paid for a Credit for which the Reservation was so terminated that is not refundable shall be retained by Seller. For example, if Buyer paid a Deposit of \$27,000 for two Credits and terminated the Reservation as to 1 Credit 45 days after the Authorization Date, then Seller would be obligated to refund \$5,400 ( $\$27,000 \times .5 \times .4$ ) and would be entitled to retain \$21,600 of which \$13,500 would be available as a credit against the Purchase Price for the remaining 1 Credit assuming Buyer purchases same.

6. Purchase of Credits. Buyer may purchase the Credits reserved under this Agreement by notice in writing to Seller at any time after the Authorization date and prior to the Expiration Date as to all or any portion of the Credits subject to the Reservation and shall be deemed to have elected to purchase the Credits upon issuance of the Permit as to the number of Credits required to be purchased pursuant to the Permit (not to exceed 0.88 Credits). Within twenty (20) days of the exercise or deemed exercise of the Reservation, Buyer shall pay the Purchase Price, less any available credit for the Deposit previously paid, for the Credits which Buyer is required to purchase hereunder. To the extent Buyer has reserved Credits in excess of the number required by the Permit, Buyer may send a notice of termination to Seller in respect of such Credits not required by the Permit and, depending upon the date of receipt of the notice of termination by Seller, Buyer may be entitled to a refund of a portion of the Deposit pursuant to the terms and conditions set forth in Section 5 above; provided, however, any portion of the Deposit paid for the reservation of a Credit terminated that is not refundable pursuant to Section 5 above shall be retained by Seller and shall not be credited against the Purchase Price of the Credits purchased by Buyer.

7. Allocation of Credits. Upon Seller's timely receipt of the full Purchase Price for any Credits subject to this Agreement, Seller shall allocate the Credits so purchased from Seller to Buyer. If Buyer fails to timely pay the Purchase Price for any Credits, then Seller may terminate this Agreement and retain the Deposit.

8. Seller's Authorization. In the event Seller is unable to obtain authorization from SJRWMD to allocate Credits by April 1, 2008, Buyer may terminate this Agreement, in which event the Deposit shall be refunded in full to Buyer within ten (10) days of Seller's receipt of notice of termination, this Agreement shall be null and void, and none of the parties hereto shall have any further rights or obligations hereunder. Such payment of the Deposit shall be the sole and exclusive remedy of Buyer by reason of Seller's inability to obtain authorization from SJRWMD to allocate Credits, and Buyer hereby waives and releases any right to sue Seller, and hereby covenants not to sue Seller, for specific performance or any damages alleged to have arisen from Seller's inability to obtain authorization from SJRWMD to allocate Credits.

9. 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: Seamark Ranch, Inc.  
1 San Jose Place, Suite 31  
Jacksonville, FL 32257  
ATTN: Fred Meiners

BUYER: School Board of Clay County  
925 Center Street  
Green Cove Spring, FL 32043

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.

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

11. 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.

12. 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.

13. 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.

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

15. 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 Clay County, Florida.

16. Entire Agreement/Amendments. This Agreement constitutes the sole and entire agreement between the parties hereto with respect to the Credits and supersedes all letters of intent, term sheets, letters of interest, understandings, promises, covenants, representations, statements, agreements and undertakings (whether written or oral), if any, with respect thereto, which may have been given, distributed, furnished or made prior to or contemporaneously with the execution and delivery of this Agreement. This Agreement may not be amended except by written agreement signed by all of the parties.

17. Assignment. Buyer shall not have the right to assign this Agreement [w/o consent].

18. 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.

19. Time of the Essence. Time is of the essence of this Agreement and each and every provision hereof.

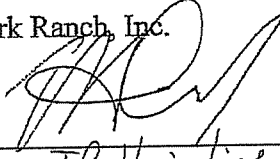
20. Notices. If the time period or date by which or on which any right or election provided under this Agreement must be exercised, or by which or on which any act required hereunder must be performed, or by which or on which any notice or demand must be given or received, expires or occurs on a Saturday, Sunday or a holiday observed by local, state or Federal governments or state chartered or national banks in the State of Florida, then such time period or date shall be automatically extended through the end of the next day which is not a Saturday, Sunday or such a holiday.

*[signature page to follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**SELLER:**

Seamark Ranch, Inc.

By:  \_\_\_\_\_

Name: TR Hainline

Title: Chairman, Board of Directors

Executed: January 9, 2008

**BUYER:**

School Board of Clay County

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Executed: \_\_\_\_\_, 2008