

EMERALDA MARSH TRACT LEASE AGREEMENT

This Lease Agreement ("Lease" or "Agreement") is made and entered into this 21 day of April, 2016 (the "Effective Date"), by and between the Governing Board of the St. Johns River Water Management District, a public body existing under Chapter 373, Florida Statutes, whose address is Post Office Box 1429, Palatka, Florida 32178-1429 ("District"), and Sun Gro Horticulture Excavation and Processing LLC. ("Lessee"), whose address is 770 Silver Street, Agawam, Massachusetts 01001. Lessee and the District are collectively referred to herein as "the Parties." Wherever used herein, "District" and "Lessee" include all parties to this instrument, their successors, and assigns.

PREMISES

The District is the sole and exclusive owner of certain lands situated in Lake County, Florida, commonly known as the Emeralda Marsh Conservation Area ("EMCA").

Lessee seeks to lease approximately 1320 acres of the EMCA for the purpose of excavating the peat soils located thereon in conjunction with the District's restoration activities. The leased area is described in attached Exhibit A (hereinafter "the Property"). Lessee intends to process and resell the excavated soil to consumers and other end users. The District has determined that leasing the Property to Lessee is a part of the District's overall restoration and public recreation objectives for the EMCA and that removal of the nutrients, pesticides, and metals in the sediment is consistent with these objectives and will fund other restoration and land management activities at the EMCA. The Lessee consideration will be paid through royalties and assisting in the improvement of recreational boating access.

NOW, THEREFORE, in consideration of the above premises, which are hereby made a part of this Lease, and other good and valuable consideration, including, but not limited to, payment of royalties by Lessee as provided herein, and subject to the provisions contained herein, the Parties hereby agree as follows:

1. The District leases to the Lessee and the Lessee leases from the District the Property and the District grants to Lessee, and Lessee accepts, the sole and exclusive right to excavate, stockpile, and remove peat from the Property. This Lease is for the sole and exclusive purpose of excavating peat from the Property, and related activities, including storage, warehousing, processing facilities, and restoration work in accordance with the provisions of this Lease. Soil shall be excavated, and after excavation, the Property shall be contoured in accordance with the "Excavation and Contour Plan" prepared by Lessee and approved by the District. The District will review and comment upon the Excavation and Contour Plan within 20 work days after initial submission by Lessee. Thereafter, the District shall respond within 10 work

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days to any further modifications thereof by Lessee, including in response to District comments, until final approval is given by the District. Time is of the essence to all timing requirements set forth herein, and failure to respond by the District within the time periods specified, shall be deemed approval by the District. (Unless otherwise stated herein, all time references are to calendar days.)

2. Term.

- (a) This Lease shall commence on the Effective Date. The initial term shall extend for ten years from the Final Approval Date (as hereinafter defined). Thereafter, Lessee shall have the absolute right to renew this Lease for an additional five-year term under the same conditions contained herein, but subject to inflation adjustment to the Royalty rate as provided below. Renewal shall be effective upon Lessee's written notification to the District of Lessee's intention to renew on or before ninety days prior to the expiration of the initial term.
- (b) In addition, if at the expiration of the renewal term there is additional peat on the Property to be excavated then, subject to District governing board approval, the Lessee may renew this Lease for a further five years ("Second Renewal Term"), upon providing at least 90 days prior notice, on the same conditions contained herein, but subject to inflation adjustment to the Royalty rate as provided below.

3. Royalties.

- (a) Lessee intends to excavate and process soil from the Property for sale to consumers or other end users. Lessee is solely responsible for payment of all sales taxes due as a result of sale of soil excavated from the Property. Lessee has produced its Florida Resale Certificate to the District and has thereby relieved the District of the obligation to collect sales taxes from Lessee or its successors.
- (b) Royalty. Upon commencement of excavation activities, Lessee shall pay the District a "Royalty" of \$1.00 for each cubic yard of peat material and/or other soil from the Excavation Area that is mined and removed off the Property.
- (c) Minimum Total Royalty. Lessee has estimated the quantity of peat to be excavated and removed from approximately 444 acres of the Property to total 3,400,000 cubic yards. With this estimated volume, the Royalty is estimated to be approximately \$3,400,000 over the entire course of removal activities, which includes the potential renewal term, if exercised ("Project Completion"). Subject to the terms of this Agreement, the Lessee guarantees that the District shall receive a minimum \$3,000,000 total Royalty ("Minimum Total Royalty") during the first fifteen years. If, after fifteen years, the total Royalty is less than \$3,000,000, Lessee shall pay the District the amount necessary to bring the total Royalty to

\$3,000,000 within 30 days. In the event of *force majeure*, including a natural disaster, such as a hurricane or flood, or any other circumstance beyond the reasonable control of Lessee (including taking reasonable measures at reasonable expense to mitigate an imminent known threat of *force majeure*, such as lowering water levels on the Property to the extent downstream water levels permit, covering materials and equipment or closing doors to structures), including, but not limited to an act of war, Lessee shall be permanently excused from a proportional amount of the \$3,000,000 Minimum Total Royalty based on the period and to the extent that Lessee can demonstrate that such *force majeure* condition prevented Lessee from conducting removal activities in a commercially reasonable and similar manner as its removal activity prior to such *force majeure* event, and the Minimum Total Royalty shall be deemed to be reduced by such amount.

- (d) Minimum Annual Royalty. Until such time as the Lessee has paid the Minimum Total Royalty, for each year of the initial term and, if applicable, first renewal term, the Lessee shall be required to pay the District a royalty of not less than \$200,000 ("Minimum Annual Royalty"). If the Royalty paid based upon the amount of soil removed off the Property is less than \$200,000, the amount necessary to bring the Royalty payment to \$200,000 shall be paid within 30 days of the close of the applicable year and credited against future Royalty payments due. If the Lessee has paid Royalty in excess of \$200,000 in any year of the term and/or renewal term, such excess amount shall be applied against future Minimum Annual Royalty payable. Once the Lessee has paid the Minimum Total Royalty (\$3,000,000), it shall no longer be required to pay any Minimum Annual Royalty for the initial and any renewal term, but shall be required to make Royalty payments, based on the amount of soil actually excavated and removed off the Property, as in this Agreement set out. In any year in which an action taken by the District is the operative cause Lessee is prevented from being able to conduct peat removal activities on the Property, Lessee's obligation to pay the Minimum Annual Royalty will be reduced in proportion to the number of working days the actions of the District prevent Lessee from being able to conduct peat removal activities.
- (e) Royalty payments shall be made to the District on a quarterly basis by the last day of the month following last month of the quarter. Royalty payments shall be accompanied by a written report or ledger showing the total cubic yards of soil removed off the Property during the preceding calendar quarter. This report shall be an itemized daily breakdown obtained from the delivery tickets signed by the drivers removing soil from the Property as each truckload of material is removed, or pursuant to any other accounting method that may be agreed upon by the District and Lessee. With respect to the removal of soil off the Property, any of Lessee's accounts and records pertaining to soil removal undertaken by

Lessee pursuant to this Lease shall be open to inspection by the District at reasonable times, and upon reasonable notice to Lessee.

- (f) For clarity and to establish procedures to implement the above noted Royalty provisions, the Parties agree to the following:

(A) Minimum Annual Royalty payments

- i The District shall establish an account to be called the "Minimum Annual Royalty Account" ("MARA"). The account shall be a notational account in the District's records, with no need for the account to be an actual bank account or an official account in the accounting records of the District.
- ii At the end of each calendar year of the term (and renewal term, if applicable) the MARA shall reflect that funds have been deposited equal to at least the product of \$200,000 multiplied by the number of complete calendar years that have elapsed between the Final Approval Date and the end of said calendar year ("Required Deposited Amount"). For the period commencing on the Final Approval Date to the end of the first calendar year, the Required Deposited Amount shall be calculated proportionately and adjusted based on the number of months in that period.
- iii If at the end of the said calendar year the amount of funds deposited in the MARA is less than the Required Deposited Amount, then Lessee shall make a cash payment to the MARA to bring the deposits up to the Required Deposited Amount. If at the end of the said calendar year the amount deposited in the MARA is equal to or greater than the Required Deposited Amount, then Lessee shall have no obligation to make a cash payment to the MARA with regard to the said calendar year. Any excess deposits shall be credited against Required Deposit Amount next due.
- iv Within thirty days of the end of each calendar year the District shall send a statement to Lessee showing all deposits in the MARA during the previous calendar year.

- (B) Royalty Rates for any Renewal Terms. The Royalty rates for the five-year renewal term and any subsequent renewal term shall be subject to adjustment based upon the change in the Consumer Price Index (CPI) during the previous term of this Lease; provided, however, that the increase shall not exceed three percent per annum for any and each year of the initial term. The percentage increase of the Royalty rate shall be the same rate of

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increase of the "Consumer Price Index for All Urban Consumers" provided by the Bureau of Labor Statistics, subject to the 3% annual limitation. The CPI adjustment shall take effect upon commencement of the renewal term and shall not be further modified during the renewal term. The Minimum Annual Royalty requirement during the five-year renewal term shall not be increased. . In addition, once the Lessee has paid the Minimum Total Royalty (\$3,000,000), there shall no longer be any Minimum Annual Royalty, monthly, total or any other minimum royalty requirement.

- i. The District shall have the right to conduct soil borings on the Property to verify the quantity of soil excavated and removed therefrom, upon reasonable prior notice to the Lessee, provided that such boring shall not interfere with the Lessee's operations on the Property.

4. Peat Excavation Operations.

- (a) Excavation and Contour Plan. Prior to commencing any construction or excavation activities on the Property, and in conjunction with obtaining any necessary operating permits for Lessee's activities on the Property, Lessee shall prepare an Excavation and Contour Plan ("Plan"). The Plan shall describe: (1) the intended location of all planned excavation; (2) the intended location of all planned retention areas; (3) the location of all existing and planned roads to be utilized by Lessee; (4) the location and dimensions of planned buildings, pump stations, and other structures or facilities; (5) the maximum allowed water levels set by the District that may not be exceeded on the Property, as provided by the District to the Lessee no later than 30 days after the Effective Date; and (6) such additional matters as reasonably necessary to fully describe the material scope of Lessee's planned excavation and storage activities on the Property, including but not limited to, an accounting method for measuring the volume of peat and other soil removed from the Property, the means by which to minimize excavation of the non-organic substrate below the peat, a continuous sampling and analyzing plan for pesticides and metals, and the means by which to keep the properties identified on the attached Exhibit C hydrated, consistent with existing conditions at the time of execution of this Agreement, in the event water drawdown by the Lessee on the Property adversely impacts the hydration of such abutting properties. The Plan shall also describe the contour condition of the Property upon completion of Lessee's excavation activities and termination of this Lease. The Plan shall be approved by the District and reviewed with the United States Fish and Wildlife Service to identify critical contaminant issues related to fish and wildlife through the Technical Assistance Process before Lessee submits any necessary operating permit applications. The District will provide its required approval or

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reasonable objection within 15 work days after final submission by the Lessee of all information necessary for the District, including written confirmation from the Florida Department of Environmental Protection ("FDEP") that the soil does not meet the definition of "contaminated soil" under Rules 62-713.200(3) or 62-780.200(9), failing provision of such approval, the District shall be deemed to have provided its approval; and (7), and that a permit pursuant to chapter 62-348, Florida Administrative Code is not required, to review and approve the Plan. If it is necessary to modify the Plan as a result of the permitting process, the District shall approve all such modifications prior to Lessee commencing any construction or excavation activities. Lessee shall deliver to the District two complete sets of the Plan finally approved by the District and permitting agencies and signed by Lessee before commencement of any construction or excavation activities on the Property. The District acknowledges that the Plan will be based on estimates and projections only, and that it may need to be modified to reflect the actual circumstances of Lessee's activities and property as it is being excavated. In such event, Lessee shall have the right to revise the Plan, subject to the District's approval, not to be unreasonably withheld or delayed. In the event a dispute arises regarding any proposed modification to the Plan, the Parties shall meet in person to discuss the proposed modification and any changes that would make such modifications acceptable to the Parties. In the event the Parties are unable to agree on the terms of the Plan or any modification thereto by June 30, 2016, or in the event the Lessee does not by December 31, 2017 obtain all approvals and permits required by the Lessee in order for the Lessee to be able to carry out all the work contemplated herein ("Final Approval" and the date on which such Final Approval is obtained, the "Final Approval Date"), then Lessee shall have the right to terminate this Agreement, as further provided in Section 25 herein, or refer the matter to arbitration as set out in Section 28 herein. Save for the District's failure to comply with its obligations set out in this Agreement, the District shall not be liable to Lessee for the failure to commence construction or excavation, or to complete the project, nor shall the Lessee be liable to the District if Lessee does not commence work on, excavate from or complete the project.

(b) Required Elements of Excavation and Contour Plan. The Excavation and Contour Plan shall include the following provisions:

- i. Bottom areas outside of the "Excavation Area", as depicted in Exhibit B, with an elevation greater than 52 ft. NAVD 88 shall not be disturbed during excavation operations. Bottom areas within the "Protected Area", as depicted in Exhibit B, with an elevation greater than 54 ft. NAVD 88, which are currently vegetated, shall be protected from drying during excavation operations by levees or other structures so as to maintain shallow flooding of between one and three-foot depth in the vegetated habitat.

- ii. Edges of excavated areas less than 50 ft. NAVD 88 elevation shall be contoured to a minimum slope of four-to-one (4:1) following completion of excavation operations in each area. This requirement includes both side slopes around the perimeter of mined areas but not slopes in deeper areas within that perimeter.

(c) Lessee Authorized Activities. The following additional activities are authorized on the Property:

- i. use all clay, sand, shale or other soils or minerals located on the Property for the purpose of building, improving and maintaining roads required for transportation on the Property; provided, however, that the District, in reviewing and approving the Excavation and Contour Plan, must approve the location of the clay, sand, shale or other soils or minerals to be removed, and the location of the transportation roads;
- ii. utilize portions of the Property that are near or contiguous to previously excavated phases or cells within the Property for dewatering, drying and/or temporary storage of recently excavated peat, as required to carry out the approved Excavation and Contour Plan;
- iii. move onto, store, maintain, operate and construct on the Property such equipment, machinery, facilities and buildings as are reasonably necessary to accomplish the excavation allowed by this Lease, drying and processing same. Such machinery, facilities, buildings and equipment shall remain the property of Lessee. Lessee shall remove all its machinery, facilities, buildings, personal property and fixtures from the Property within six months following termination of this Lease. In the event of failure by Lessee to remove all such equipment, machinery, facilities and buildings within six months following termination of the Lease, the District may remove and dispose of or retain the same as the District determines in its sole and complete discretion. Lessee shall be liable for all removal, storage, and disposal costs. Lessee shall have the right to utilize the holding area shown on Exhibit B ("Storage Area"), comprising approximately 53 acres, to keep, dry and remove stockpiled soil for up to five years following the completion of removal from the excavation areas ("Storage Term"). After the second year of the Storage Term, Lessee shall pay on a quarterly basis annual rent of \$300.00 per acre used by the Lessee during that quarter for its use of the Storage Area. This Lease shall remain in effect for the Storage Term with respect to the Storage Area and roadway accesses to and from such area. For clarity, the Lessee shall be required to pay Royalty at the rate applicable during the last

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year of the term immediately prior to the commencement of the Storage Term, on soil removed from the Storage Area during the Storage Term, and such Royalty fees shall be credited towards rent otherwise payable, or rent actually paid shall be credited against Royalty otherwise payable during the Storage Term.

- (d) **Excavation Progress.** The Parties anticipate that Lessee will excavate soil from the Property in phases, cell by cell. Lessee shall not commence excavation from a new cell without having simultaneously commenced the earthwork as designed in the Excavation and Contour Plan for the cell previously excavated.
- (e) **Lessee Control of Site.** During the term of this Lease, Lessee is solely responsible for the conduct and control of all activities by Lessee, its employees, licensees, and invitees, on the Property. The District does not, by or through its activities in inspecting the Property and reviewing Lessee's activities thereon for the purposes of this Lease, assume any duty as to the condition of the Property with regard to the safety of Lessee, its employees, licensees, and invitees. Nor does the District assume any duty for the benefit of third parties or governmental agencies regarding compliance with permit conditions or any other matters associated with Lessee's activities under this Lease. Lessee is solely and directly responsible to any such third parties for all liability associated with its activities under this Lease. Lessee is solely and directly responsible for compliance with any permits related to the excavation or transportation and shall indemnify the District and hold it harmless for any costs or penalties the District incurs as a result of Lessee's activities or failures to satisfy permit conditions. Lessee is not responsible for any pre-existing conditions on the site except as may specifically be provided in Sections 22 and 23 of this Lease.

5. **Lease Management and Notices.**

- (a) The Project Managers listed in subsection (c) below shall be responsible for overall coordination and communication regarding activities conducted under the Lease. Either party may change its Project Manager upon three business day prior written notice to the other party. Written notice of change of address shall be provided within five business days. The District's Project Manager shall have sole responsibility for transmitting instructions, receiving information, and communicating District policies and decisions regarding all matters pertaining to the Lease.
- (b) All notices, consents, approvals, waivers and elections which any party shall be required or shall desire to make or give under this Lease shall be in writing to the addresses below and shall be sufficiently made or given: (i) when mailed by certified mail, postage prepaid, return receipt requested; (ii) by hand delivery to the named individuals representing the party to be notified; or (iii) by private parcel

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delivery services, or (iv) facsimile or email transmission for which receipt is provided to the notifying party. Notices via certified mail are deemed delivered upon receipt. Notices via overnight courier are deemed delivered one (1) business day after having been deposited with the courier. Notices via e-mail or fax are deemed delivered on the date transmitted and received if a business day, otherwise on the first business day thereafter.

- (c) Notices shall be addressed or transmitted to the addresses set forth below or such other address that a party may designate in the manner prescribed herein:

District: ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
PROJECT MANAGER
R. H. Davis, Land Manager
Bureau of Land Management
19561 S.E. Highway 42
Umatilla, FL 32784
Phone: (352) 821-2066
Fax: (352) 821-0353
Email: rhdavis@sjrwmd.com

Copy to: ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Chief, Bureau of Real Estate Services
P.O. Box 1429
Palatka, Florida 32178-1429
Phone: (386) 329-4335
Fax: (386) 329-4848
Email: rbunton@sjrwmd.com

Lessee: SUN GRO HORTICULTURE EXCAVATION AND PROCESSING,
LLC
PROJECT MANAGER
Mike Evans
770 Silver Street
Agawam, Massachusetts 01001
Phone: (407) 291-1676 ext 321
Cell: (407) 467-3979
Fax: (407) 297-6164

Agent: Environmental Consulting and Design (EC&D)
Carl Salafrio
2401 NE 18th Terrace, Suite A
Gainesville, Florida 32609
Phone: (352) 339-1118 or (352) 371-4333

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Email: csalafrio@ecdflorida.com

With a copy to:

SUN GRO HORTICULTURE EXCAVATION AND
PROCESSION, LLC

CFO

Andy Krol

770 Silver Street

Agawam, Massachusetts 01001

Phone: (413) 523-0715

Cell: (413) 219-1358

Fax: (413) 789-3425

Email: andy.krol@sungro.com

6. Permits.

- (a) Save and except the Noticed General Permit from the FDEP, Lessee is responsible for obtaining and paying the permitting fees for any and all other permits necessary for Lessee's operations on the Property, any other lands within the EMCA, and transportation off the Property, including, but not limited to, if required, those of the United States Army Corps of Engineers, the St. Johns River Water Management District, and local governmental agencies. The District is responsible for applying for at its cost and paying the permitting fees for the FDEP Noticed General Permit, including the entire term and any renewals (including the Storage Term, if required). Said FDEP permit shall be applied for no later than sixty (60) days after District approval of the Excavation and Contour Plan. The District will provide the assistance reasonably expected of a landlord as requested by the Lessee for the Lessee to obtain all other permits necessary for Lessee's operations on the Property, including, without limitation, hosting meetings, attending meetings and providing available information in support for the Lessee's activity on the Property. Lessee shall have until the later of one (1) year after the District receives the Noticed General Permit from the FDEP and December 31, 2017, whichever is later, to obtain all other required permits, subject to extension of such time period by agreement of the Parties upon a showing by Lessee of reasonable cause for such extension. In the event such permits are not obtained as provided herein, this Agreement shall, at the option of the Lessee, be null and void, with no obligation of either party to the other. The Lessee agrees to act in a commercially reasonable manner to diligently and with due dispatch attempt to obtain all its required permits.

- (b) Lessee will conduct its operations in accordance with all applicable governmental rules, regulations, ordinances and laws, and shall assume responsibility for

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and address any non-compliant activities associated with Lessee's activities on the Property. Lessee, at its sole expense, shall provide all safeguards and protection required by all governmental agencies having jurisdiction to protect the Property from damage resulting directly from Lessee's activities on or off the Property related to this Lease.

- (c) Lessee shall indemnify and hold the District harmless from and against any and all liability, claims, demands, fees, penalties, expenses, suits, proceedings, actions and causes of action, including reasonable attorneys' and related fees, for personal injury, property damage, or violation of any applicable environmental laws arising out of or caused by Lessee's undertaking of the activities set forth in paragraph (6) or failure to comply with permit conditions.

7. Drainage, Maintenance of Water Levels and Protection of Water Quality.

- (a) Lessee is responsible for conveying water stored in the retention holding area on the Property into the east-west ditch that conveys water discharged from the retention holding area to the pump station to be operated and maintained by the District on Emerald Island Road ("Feeder Canal"). Water discharged into the Feeder Canal by the Lessee and from the Feeder Canal to waters of the State may not exceed the TMDL concentration targets established for Lake Griffin. The District shall be responsible for and shall ensure that all water in the Feeder Canal, other than water pumped into the Feeder Canal by the Lessee, shall be treated so as not to exceed the TMDL concentration targets established for Lake Griffin. If the Lessee requires the District to pump water out of the Feeder Canal, the Lessee shall be required to ensure that the water levels in the Feeder Canal are at or above elevation 56.0 NAVD in order for the District pump to operate properly and discharge such water, including, if required, installing infrastructure necessary to maintain such levels. The suggested infrastructure is a plug in the Feeder Canal at the northwest corner of the retention holding area, and a pump to lift the water from the proposed excavation area up into the Feeder Canal. Additionally, levee repair and improvements may be required around the retention area, which shall be Lessee's responsibility. The District shall be responsible for excavating, cleaning and otherwise maintaining the Feeder Canal from the District's telemetry site/boat ramp to Emerald Island Road such that if Lessee maintains water levels at the west end of the Feeder Canal at not less than 56.0 NAVD, the District will be able to operate the District's Emerald Island Road pumping facility with an estimated maximum capacity of 9,000 gallons of water per minute.
- (b) (i) The parties acknowledge that, to the extent reasonably and commercially practical, water drained from portions of the Property will be stored on the Prop-

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erty. The parties agree that the most effective way to operate the excavation system is to only maintain one of the three excavation phases dry at any one time, with the other phases providing additional storage capacity when the retention holding area is full, and the Lessee agrees to pump water out of phases as above. The parties nevertheless anticipate that it may from time to time possibly be necessary on occasion for the Lessee to utilize the District's adjacent Feeder Canal to discharge water from the Property, which may also require the District to pump water out of the Feeder Canal to accommodate the Lessee's requirements in this regard. The District agrees to ensure that there will be no diminished capacity in the Feeder Canal affecting the Lessee's operations (in accordance with Lessee's permit requirements and this Lease), including taking actions such as cleaning, removing vegetation from and pumping water out of the Feeder Canal to a level to accommodate the Lessee's requirements within 3 days of the Lessee's request, unless such requested pumping is at the time the District is cleaning the canal, removing vegetation, or treating water in the canal that was not discharged by Lessee, where these activities prevent accommodating Lessee's requirements. Within these constraints, the District will take reasonable actions to accommodate discharges from the Property to the Feeder Canal in advance of hurricanes, tropical storms or anticipated flooding events. The District shall be solely responsible for discharging and pumping water in a timely manner as above from the Feeder Canal as is required by the Lessee, to maintain water levels on the Property for Lessee's excavation activities in accordance with Lessee's permit requirements and this Lease. The Lessee shall establish the protocols and methodology for ensuring that water discharged from the Property into the Feeder Canal which water is then discharged from the Feeder Canal into waters of the state meets applicable State of Florida water quality requirements and the District shall maintain and operate the pumps that are necessary to discharge water from the Feeder Canal as required thereunder. Lessee is not responsible for water quality conditions existing in the Feeder Canal prior to any discharge(s) by Lessee to the Feeder Canal. All water discharged by the Lessee off the Property into the Feeder Canal and then from the Feeder Canal to waters of the state must meet applicable state water quality standards and the TMDL concentration targets established for Lake Griffin before discharge into the Feeder Canal. The parties agree that the Lessee need not treat, or otherwise ensure compliance with water quality requirements, any water overflow off the Property into the Feeder Canal or other adjoining lands resulting from rainfall from a 24 hour, 25 year storm event, unless otherwise required by permit or law.

(ii) The parties agree that when Lessee anticipates moving to a new phase it may be necessary to pump down the water in the new phase to dry conditions. This pumping shall occur when required by the Lessee; provided however, that if avian wildlife are attracted to the area that is being drawn down, Lessee and the District shall confer and take such steps as are required to minimize risk to avian

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wildlife. The Lessee shall develop and institute a fish kill plan acceptable to the District, acting reasonably, before the start of any excavation. During these transitions from excavating one phase and commencing excavation in another phase, it is acceptable for Lessee to work in two phases at once in order to facilitate contouring and performing any drawdown during the months of November through April. It is the intention of the Parties to remove water from a new phase in advance of termination of excavating in the old phase, so as to eliminate any excavating downtime.

- (c) The District's obligation to discharge water from the Feeder Canal is limited by the current capacity of the existing pump, or such greater capacity of any replacement pump, to be utilized for this purpose as well as the protocols established pursuant to sub-paragraph 7(b) above and sub-paragraph 7(e) below. The estimated maximum capacity for the District's Emerald Island Road pumping facility to pump water out of the Feeder Canal is 9000 gallons per minute. The District will commence to discharge water off the Property within three (3) days after request by the Lessee, with the intent that the Lessee shall be able to continue its excavation activities on the Property without unreasonable interruption. The District shall be required and agrees to maintain, repair and replace, if required, the pump and associated equipment, so as to allow pumping at its existing or greater capacity, as the District would if such pump and equipment were used in the operation of a District restoration project.
- (d) Lessee shall design a structure that allows water to flow back into the mining area from the retention holding area in order to prevent flooding non-District properties (unless the Lessee has obtained consent to allow water to flow onto such properties) and that portion of the Property that should not be flooded. The overflow elevation back onto the excavation area shall be 58.0 (NAVD 1988). Lessee shall maintain the water level in the Feeder Canal at the District's retention holding area water level monitoring device at not less than 56.0 NAVD in order for the District's pump to operate properly. If water is not maintained at or above this level, the District will not operate the pump.
- (e) During extremely wet periods, it may not be economically feasible to remove excess floodwaters from the Property. Further discharge from the Property will be deemed not economically feasible when rainfall, as measured by the Umatilla FAWN rainfall site or closest alternative, exceeds fifteen inches over any continuous 30-day period. In such event, the District will discontinue pumped discharges until conditions dry to the point that water levels in the retention holding area are 58.0 NAVD or lower and the rainfall in the 30-day period prior to pumping is less than 10 inches. Notwithstanding the foregoing, the District

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shall continue pumping if Lessee agrees to compensate the District for the increased pumping costs and such pumping is not in conflict with District water management responsibilities to comply with State water quality standards.

- (f) Lessee shall be responsible for all reasonable commercial actions necessary to maintain water levels on the Property that do not involve the discharge of water from the Property. This includes pumping surface water from specified dewatering areas on the Property into retention holding areas located on the Property.
- (g) When the District is required to discharge water from the Feeder Canal, Lessee shall provide the District with not less than three business day's written notice thereof. Such notice shall be given to the District's Project Manager as provided herein.

8. Roadway Development, Maintenance, Usage and Release.

- (a) Lessee shall have the right to utilize existing roads or build temporary roads on the Property as may be required by it for its operations on the Property as set forth in the Excavation and Contour Plan.
- (b) Lessee shall maintain, repair and restore any such roads it constructs or utilizes (to a similar state as existed prior to its use, reasonable wear and tear excepted) in accordance with the Excavation and Contour Plan. Existing roads shall be restored to the same or better condition that existed prior to such use. Lessee shall remove all roads that it constructs as required by the District and permits issued to Lessee.
- (c) The Parties understand and agree that District staff will visit the Property for the purpose of implementing and ensuring compliance with the terms of this Lease and other matters. In so doing, District personnel will utilize roads constructed by Lessee. The District is responsible for the safety of its employees while utilizing such roads, any damage to the roads arising from such use and takes the condition of those roads as they exist at the time of use by District personnel.
- (d) Lessee is solely responsible for obtaining and complying with any required federal, state, or local permits related to the use of roads and transportation of material off the Property.

9. Planting. The District's restoration objectives for the EMCA do not require that planting occur on the majority of the Property. The District will use its best efforts to assist Lessee in the permitting process to avoid planting requirements that are not necessary for the District's restoration objectives on the Property. To the extent the Excavation and Contour Plan or

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permitting requires planting, all activities involving plantings and replantings of various wet-land plant species shall be Lessee's responsibility; provided, however, that the District shall be responsible for the monitoring of the planting at its expense.

10. Boat Access. As part of the consideration for this Lease, Lessee agrees that prior to expiration of the term, as may be renewed or extended, as a part of the Excavation and Contour Plan, it shall assist the District by excavating the shallow canal to allow passage of boats drawing 4 feet of water utilizing the existing boat ramp located at CR 452. For clarity, the boat ramp may not be used and access to the Property by third parties, shall not be allowed until the later of expiry of the Term, as renewed.

11. District Rights Regarding the Property. Notwithstanding any other provisions of this Lease, the District retains the right to use the Property for any and all purposes that do not interfere with Lessee's rights under this Lease (including, without limitation, Lessee's excavation and storage operations, and the quality of the soil), including conducting prescribed burns and engaging in other water management activities on portions of the Property that are not being actively excavated, provided that, except for emergencies, the District will give the Lessee at least fifteen (15) days written notice prior to undertaking any activity on the Property.

12. Inspection of Premises. The District reserves the right for its officers, agents, employees or assigns to enter upon the Property, at its sole risk, at any reasonable time to make surveys or conduct inspections for the purpose of determining whether the provisions of this Lease are being observed, or for any other purpose as determined by the District. Such entry shall not interfere with Lessee's use of the Property.

13. Financial Assurance.

- (a) Lessee shall provide the District with a performance bond or letter of credit ("Financial Assurance") in an amount of \$ 500,000.00, as security for performance of all of its obligations under this Agreement. The District shall release this Financial Assurance in its entirety upon satisfactory completion of the restoration activities set out in the Excavation and Contour Plan, including the removal of Lessee's buildings and equipment from the Property, and the earlier of: (1) payment of the \$3,000,000 Minimum Total Royalty, or (2) termination of this Agreement in accordance with its terms. Notwithstanding the foregoing, the District shall release portions of the Financial Assurance as the contour and site restoration activities are completed pro-rata to the overall contour restoration obligations.
- (b) The Financial Assurance shall be delivered to and accepted by the District prior to commencement of any construction or excavation activities under the Lease. All costs for issuance and maintenance of the Financial Assurance shall be paid

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by Lessee. The Financial Assurance shall only be used in the event of default or non-performance by Lessee as provided in sub-paragraph (a), above.

- (c) If a surety bond is issued, the bond shall be in a form approved by the District and written through a licensed agency that fulfills the requirements of section 287.0935, Fla. Stat. The surety executing the bond must be rated no less than "Excellent" for both financial strength and issuer credit, with a rating outlook of stable or positive for both, and must have a financial size rating of VII or better according to the latest information available from A.M. Best Company, Inc.'s, rating and analysis web site.

14. Insurance. At all times during the term of this Lease, Lessee shall maintain general liability insurance in an amount not less than \$1,000,000.00. The District, and any successors or assigns of the District, shall be named as an additional insured under such insurance. Reasonable proof of such insurance shall be provided to the District prior to the Lessee accessing the Property, and in any event, no later than ten (10) days after execution of this Lease by the District.

15. Indemnification. Lessee shall indemnify and hold the District harmless from and against any and all liability, claims, demands, fees, penalties, expenses, suits, proceedings, actions and causes of action, including reasonable attorneys' and related fees, for personal injury, property or other damage (reasonable wear and tear, force majeure and insured events, to the extent covered by insurance, excepted), public or private, to the extent they directly arise or directly result from the actions, activities or omissions of Lessee, its employees, agents, contractors, consultants, invitees, or others affiliated with Lessee, related in any way to this Lease. Lessee shall defend the District in any action for such claims at Lessee's sole expense. Lessee's indemnification and defense obligation set forth above shall not under any circumstances extend to any actions, activities or omissions engaged in by the District, its employees, agents, consultants, invitees, licensee's or others affiliated with the District, or any predecessor in title to the District, upon, at, around, near or regarding the Property, which give rise to any liability, demands, fees, penalties, expenses, suits, proceedings, actions, causes of action or claim, whether through any affiliate or directly. The District shall be responsible for and shall take responsibility for any liability, claims, demands, fees, penalties, expenses, proceedings, actions and causes of actions for personal injury, property or other damage (force majeure and insured events, to the extent covered by insurance, excepted), public or private to any third party to the extent they directly arise or indirectly result from the actions, activities, or omissions of the District, its employees, agents, contractors, consultants, invitees, or others affiliated with the District. Nothing in this Lease shall be construed as a waiver of the liability limits and procedural requirements of section 768.28, Florida Statutes.

16. Prohibition Against Assignment. The rights and obligations created by this Lease shall run with the land (Property) and shall be binding upon and inure to the benefit of the District and Lessee and their successors and assigns. In the event Lessee desires to record

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this Lease or any document evidencing the existence of this Lease in the public records, the District shall execute such reasonable consents and other documents required for such recording, and the Lessee shall, within twenty (20) days of expiration or termination of this Lease, record evidence of such expiration or termination in the public records. After 20 days, the Lessee waives objection to the recording of such evidence by the District and agrees to pay all costs associated with such recording and clearing of title. Lessee shall not have the right to assign any rights or obligations under this Lease without the District's prior written consent, which shall not be unreasonably withheld. The District shall not have the right to assign any rights or obligations under this Lease without Lessee's prior written consent; provided, however, that the District's rights hereunder may be transferred in connection with a sale of the Property without the consent of but upon not less than 30 days prior written notice to the Lessee, provided that concurrently with such transfer, the transferee covenants and agrees, and shall execute a covenant to and in favor of the Lessee that the transferee assumes and agrees to undertake and abide by all of the District's obligations under this Lease; and provided further that the Lessee shall not be disturbed from carrying out its permitted activities under this Agreement as long as it is in substantial compliance with its obligations under this Agreement.

17. Maintenance and Use of the Property.

- (a) Lessee shall repair and maintain all fences, roadways, and gates used by Lessee as presently existing on the Property in reasonably the same condition existing on the Effective Date, reasonable wear and tear excepted and taking into account the passage of time of the term of the Lease. Lessee shall maintain, repair and operate, at its sole cost and expense, ditches, pumps and appurtenant works on the Property used by it in reasonably the same condition existing on the Effective Date, reasonable wear and tear excepted and taking into account the passage of the time period of the term of the Lease. For clarity, Lessee shall only be responsible to maintain those improvements and portions of the Property used or damaged by Lessee, its employees, agents, contractors, or invitees. Lessee is not responsible for repairing any damage to any improvements on the Property caused by or resulting from use by third parties, whether or not authorized by the District.
- (b) No hunting, unlawful, or offensive activities by Lessee will take place on the Property. Lessee, as part of the consideration for this Lease, will report all acts of trespass and vandalism that it becomes aware of to the District and proper authorities. Lessee shall notify the District's Project Manager in a timely manner upon becoming aware of the addition, replacement or removal of any lock from gates to the Property and provide the Project Manager with the combination to any lock added or replaced on any gate by it.
- (c) There shall be no dumping or placing of any garbage or refuse on the Property by Lessee, except in conjunction with activities authorized under this Lease.

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- (d) All buildings and personal property placed upon, or moved in or upon the Property by Lessee shall be at the sole risk of Lessee. The District shall not under any circumstances be liable for any damage to or loss of said property unless resulting from the negligence of the District, its agents, employees or contractors.

18. Liens. Lessee shall pay all lawful debts incurred by Lessee with respect to the Property and shall satisfy all liens of contractors, sub-contractors, mechanics, laborers, and materialmen with respect to any construction, alteration and repair on the Property by Lessee, and any improvements thereon authorized by Lessee, its agents or employees. Lessee shall have no authority to create any mortgages on the Property or liens for labor or material on or against the Property. All persons contracting with Lessee for financial assistance, the construction or removal of any structure, or for the erection, installation, alteration or repair of any structure or improvement on the Property, including all materialmen, contractors, mechanics and laborers involved in such work ("Contractor"), shall be notified by Lessee that they must look to Lessee only to secure the payment of any bill or account for work done, material furnished, or money owed. If any lien is registered on title to the Property by any Lessee Contractor, the Lessee shall discharge or bond such lien off title to the Property within 45 days of receipt of notice of registration of such lien.

19. Taxes and Assessments. Lessee is responsible for payment of all ad valorem, non-ad valorem, intangible personal property taxes, and special assessments as may be levied or assessed against the Property, or the improvements and personal property of Lessee, or its interest in the Property resulting or arising from the Lessee's use of the Property. Lessee may, at its own expense and in its own name, contest any such taxes or special assessments. The District will cooperate fully with Lessee in any such contest when the District determines, in its sole judgment and discretion, that Lessee is being incorrectly assessed for any taxes. The District will provide the Lessee with copies of any assessments or other tax notices, so that the Lessee can file any notice of contest in a timely manner and pay for any tax payable by it in a timely manner so as to obtain any available early payment discount.

20. Utilities. Lessee is responsible for payment of all hook-up and connection fees required by it and utility service bills for its use of such service. The District must review and approve any proposed path and any legal instrument that may be required by the service provider for this purpose, which approval will not be unreasonably withheld.

21. Safety of Property. The District shall bear no financial cost, expense or obligation as a result of this Lease, other than the obligation to lease the Property to Lessee and operate the facilities to and remove water from the Property and any other obligations of the District as otherwise provided herein. Lessee has the sole and complete duty of ensuring the safety of its use of the Property for all persons utilizing the Property in any capacity whatsoever related to Lessee's use thereof, except as otherwise specifically provided herein. Nothing under this Lease or any usage by the Lessee, or those for whom in law the Lessee is responsible, of the District's

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land and water contemplated thereby shall render the District liable for personal injury or damage to any of Lessee's property whatsoever, or for personal injury or damage to a third party's property, resulting in any way from the activities of the Lessee authorized by this Lease.

22. Discharge of Pollutants. The discharge of any fuel, oils, petroleum products, litter or other materials that could cause pollution as that term is defined in section 403.031, Fla. Stat., that may result from Lessee's use of the Property contrary to applicable environmental laws is prohibited. If any materials that could cause pollution as that term is defined in section 403.031, Fla. Stat., and that are brought to the Property by Lessee are discharged on the Property by Lessee contrary to applicable environmental laws, Lessee shall immediately notify the District and shall be solely responsible for any and all costs associated with any resulting clean up and remediation. Lessee shall investigate and comply with all applicable federal, state, county, and municipal laws concerning toxic wastes, hazardous substances, and pollution of surface and ground waters. If any waste, toxic or hazardous substance, or other material that can cause pollution, as defined in section 403.031, Fla. Stat., is dumped or spilled in unauthorized areas by Lessee, Lessee shall notify the District thereof within one (1) workday and thereafter shall remove the material and restore the area to its original condition as existed prior to such spill or dumping by Lessee. If necessary, contaminated ground caused by Lessee shall be excavated and disposed of as directed by the District and replaced with suitable fill material, compacted and finished with topsoil, and planted as required to re-establish vegetation. All investigation, cleanup and disposal costs shall be borne by Lessee, provided that such contamination is caused by Lessee. Lessee has no responsibility for pre-existing conditions on the Property except to the extent Lessee's specific activities on the Property, including exposing (which does not include discovery) and/or disturbing those conditions, caused a violation of applicable federal, state, county and municipal laws concerning toxic wastes, hazardous substance and pollution of surface or ground waters. Lessee shall indemnify and hold the District harmless from any environmental damage or loss to the extent it arises from Lessee's activities on the Property, as described herein. The District shall be responsible for and shall take responsibility for any liability, claims, demands, fees, penalties, expenses, proceedings, actions and causes of actions for personal injury, property or other damage, public or private to any third party to the extent they arise or result from the actions, activities, or omissions of the District, its employees, agents, contractors, consultants, invitees, or others affiliated with the District. The foregoing does not constitute a waiver of the limits and procedures provided for in section 768.28, Florida Statutes.

23. Environmental Site Assessment.

- (a) Because Environmental Site Assessments (ESAs) have revealed pesticides and metals in the soils that exceed the Florida Department of Environmental Protection's residential cleanup standards, Lessee must provide the ESAs to and obtain written approval of the removal, processing, and sale of the soil from the Florida

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Department of Environmental Protection's waste cleanup section and the transportation of the soil from the U.S. Department of Transportation. If a release or potential release of pesticides or metals present in the soils is neither exempt from reporting under section 101(3) nor federally permitted as defined in section 101(10) of the Comprehensive Environmental Response, Compensation and Liability Act, the District may terminate the Lease without any further obligation or liability.

- (b) Prior to the expiration of the initial or extended Lease term, or within 60 days after the expiration or termination of this Lease and restoration, whichever date is later, either party may, at its sole discretion, perform or cause to be performed a Phase I Environmental Site Assessment (ESA) of the Property. The cost of such Phase I shall be shared equally by the Parties. The non-requesting party shall be entitled to approve any firm(s) and costs prior to commencement, which approval shall not be unreasonably withheld. The party ordering the Phase I assessment shall provide the other with a copy of the ESA with five (5) days of completion and receipt of such report by such party. If the ESA, or any approved amendment thereto, reveals areas of environmental concern that, in the opinion of either party, warrants further investigation, either party may, at its sole discretion perform or caused to be performed an appropriate Phase II ESA or additional investigations, the cost of which shall be borne equally by the Parties. The party ordering the Phase II assessment shall provide the other with a copy of the ESA with five (5) days of completion and receipt of such report by such party.
- (c) Any financial responsibility for remediation of environmental conditions on the Property caused or reasonably caused by Lessee, its employees, agents, contractors, or invitees, as a result of Lessee's operations and consisting of materials or substances that did not exist on the Property prior to Lessee's use and occupancy of same and have not otherwise been exposed or disturbed by Lessee's activities as set out in paragraph 22, shall be the total responsibility of Lessee. Lessee shall cure any such conditions caused by Lessee, its employees, agents, contractors, or invitees, in accordance with any remedial clean-up plan(s) as may be approved by the District and other governmental agencies pursuant to environmental laws. Any financial or other responsibility for remediation of environmental conditions on the Property not caused or reasonably caused by Lessee as a result of its operations, but discovered before or during Lessee's activities shall be the responsibility of the Lessee if Lessee begins or continues its activities. The District shall be responsible for any pre-existing environmental matters or environmental conditions including any such matters or conditions caused by it, its employees, agents, contractors, or invitees, to the extent not exposed or disturbed by Lessee as set out in paragraph 22. Upon discovery by Lessee of such matters or conditions, Lessee shall immediately stop and not recommence work (and during such

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period Lessee shall be permanently excused from a proportional amount of the \$3,000,000 Minimum Total Royalty, based on the period that it ceases work, and the Minimum Total Royalty shall be deemed to be reduced by such amount). This provision is a contractual obligation that does not absolve Lessee or the District of any legal obligation either may have under environmental laws in existence on the date hereof, or as may exist on the date of termination.

24. Default.

- (a) Lessee shall be considered in default in the event Lessee: (1) uses the Property for any material purpose not expressly authorized by this Lease; (2) assigns or attempts to assign this Lease or any portion of the Property contrary to the terms of this Lease without the District's prior written consent; (3) fails or refuses to pay royalties when due; (4) fails to comply with any other material term of this Lease.
- (b) In the event of default by Lessee, the District shall provide Lessee written Notice of Default, stating the nature of the default and the actions that must be taken to cure the default. Lessee shall have not less than thirty (30) days after receipt of Notice of Default to cure the default or to commence curing the default within such longer time period as may reasonably be required in the circumstances. Upon failure by Lessee to cure the default within the time period set forth in the Notice of Default, the District may reenter the Property, and repossess and enjoy the Property, as in its first and former estate, and thereupon the Lease term shall terminate and all of the District's obligations with respect to the Lease shall cease and be null and void, without prejudice to the District's right to recover from Lessee any sums due hereunder, including, but not limited to: (1) due and unpaid royalty payments; and (2) costs of restoring the Property in accordance with the Excavation and Contour Plan, all applicable permit conditions, and this Lease. In the event excavated material is stored on the Property upon termination due to default, Lessee shall be permitted to re-enter the Property for the Storage Term solely for the purpose of removing the stored material therefrom, the Royalties payable with respect to such removed excavated material to be applied toward satisfying all remaining financial obligations under this Agreement, and all obligations pertaining to restoration of the Property in accordance with the Excavation and Contour Plan.

25. Termination.

- (a) Lessee may terminate this Lease, with or without cause, upon giving the District 90 days advance written notice of such termination. In such event, (i) if the notice of termination is given prior to the Final Approval Date, no compensation will be payable by Lessee to the District; and (ii) if notice of termination is given

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after the Final Approval Date, then no later than the Effective Date of termination, Lessee shall pay the District all Royalty due as of the date of termination based upon soil removed and, if the Lessee's termination is not as a result of a force majeure event, the District's failure to remedy any environmental matters that are the District's responsibility or the District's default, an additional \$300,000 in full settlement of Lessee's Minimum Total Royalty obligation under this Lease if Royalty paid as of the date of termination is less than \$2,700,000. If Royalty paid is greater than \$2,700,000, Lessee shall pay the District the amount necessary to bring the Minimum Total Royalty to \$3,000,000. Said payment shall not discharge Lessee from its responsibility to restore those portions of the Property from which soil has been removed to the condition provided for in the Excavation and Contour Plan.

- (b) The District may terminate this Lease in the event of a default and failure to cure by Lessee as described above.
- (c) Upon termination of the Lease, Lessee shall have six months to restore and contour the Property in accordance with the Excavation and Contour Plan. If this Lease is terminated by Lessee prior to excavation of all of the soil contemplated by the Excavation and Contour Plan, Lessee shall prepare an amended Excavation and Contour Plan, which shall specify the manner in which the areas that have been excavated will be completed in accordance with the intent and objectives of the original Excavation and Contour Plan. The District and any necessary regulatory permitting agencies must approve the amended Excavation and Contour Plan, such approval not to be unreasonably withheld.
- (d) In the event Lessee fails to remove its personal property, equipment, and buildings from the Property (other than from the Storage Area, on which it may keep its property, equipment, buildings, soil and other items until six months after expiration of the Storage Term) and restore and contour the Property to the condition required by the Excavation and Contour Plan within the six month period, the District may proceed with such removal and restoration without any liability to Lessee and may dispose of the personal property, equipment, and buildings in any manner, as determined by the District in its sole judgment and discretion. Lessee shall be responsible for all costs of removal and restoration and the District may draw upon the Financial Assurance described in paragraph 13 to pay for any costs the District incurs to complete the removal and restoration activities.

26. Non-waiver of District Regulatory Authority. Nothing herein shall be construed as a waiver of, or contract with respect to, the regulatory and permitting authority of the District as it now or hereafter exists under applicable laws, rules and regulations. Lessee shall not be

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disturbed from carrying out its permitted activities under this Agreement as long as it is in substantial compliance with its obligations under this Agreement, and its operations are in strict compliance with all environmental permits, but this Lease does not take precedence over subsequently enacted statutes or regulations of general application to the extent they may conflict with the proprietary rights granted under this Lease. Provided that if any such subsequently enacted statute or regulation prohibits or impedes the Lessee from carrying out its activities as contemplated by this Agreement in a commercially reasonable manner, the Lessee may terminate this Agreement as set out in Section 25 above, but without the additional payment set out in Section 25(a)(ii) above.

27. Timelines. The following is a summary of the timelines in this Agreement:

1	Date Agreement signed by both District and Lessee	District to execute upon completion of 30-day statutory notice period
2	District to Notice, re-advertise Agreement	Commence 30-day first available publication date after Agreement signed
3	Approval of Excavation and Contour Plan by District	15 work days after final submission by the Lessee of all information necessary for the District to review and approve the Plan
4	General Notice Permit – application by District	Apply no later than 60 days after approval of Excavation and Contour Plan
5	Lessee to obtain approval of soil removal, processing, and sale from FDEP waste cleanup section and approval of transportation of the soil from the Department of Transportation.	To be applied for no later than sixty (60) days after District approval of the Excavation and Contour Plan
6	Application by Lessee for all other required permits	To be applied for as soon as reasonably feasible.
7	Initial Drainage – after all permits obtained	Commence within 10 work days' notice from Lessee to District and complete within 120 days thereafter
8	Term	10 years from Final Approval Date
9	Renewal Term(s)	Exercised at least 90 days prior to expiration of the initial term or first renewal term, as applicable – 5 years
10	Storage Term	5 years after expiration of later of term or renewal term, as applicable
11	Overholding Term on entire Property	6 months after expiration of later of term or renewal term, as applicable
12	Overholding Term on Storage Area	6 months after expiry of storage term.

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28. Dispute resolution. In the event a dispute arises between the Parties regarding any matter that is the subject of this Agreement, the Parties shall meet in a good faith effort to resolve the dispute, firstly by discussion between the persons involved in the dispute, and, if not resolved in 10 work days, then by discussion between the District's executive and/or legal counsel and an executive and/or legal counsel of the Lessee. If these efforts does not resolve the dispute after 30 days of notice of one party to the other of a dispute (the "Resolution Period"), the Parties shall retain the services a mutually agreed upon and duly qualified mediation professional to assist the Parties through non-binding mediation, and shall share equally in the cost of mediation. If, the Parties are unable to agree on a mediator within 15 days after the Resolution Period, or, if after a reasonable mediation effort the mediator determines that the Parties remain at impasse, the mediator shall so certify, which in any event may be no later than 30 days after the Resolution Period, the requirement for mediation or the mediation effort, as applicable, shall be terminated. Thereafter, the Parties may pursue available judicial or administrative remedies, or may agree to binding arbitration, save and except the with respect to the matters set out in Section 4(a), which if referred to arbitration by the Lessee, shall be determined by arbitration. In the event the Parties agree or are obligated to binding arbitration, the matter shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, in accordance with and subject to applicable provisions of Florida law and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties shall make a good faith effort to agree upon one person to act as arbitrator. If the Parties cannot so agree within 15 days of request of or agreement on arbitration, the Parties agree to use the AAA Arbitrator Select: List and Appointment procedure to have an arbitrator appointed. The arbitration must be heard and the decision of the arbitrator must be rendered within 30 days of selection of the arbitrator. The parties shall share equally in the cost of the arbitration proceedings, unless otherwise determined by the arbitrator.

29. Governing Law; Waiver of Jury Trial. This Lease shall be construed and interpreted according to the laws of the State of Florida and the courts of Lake County shall be the venue for any dispute between the Parties arising from this Lease. As used herein, "shall" is always mandatory. In the event of any civil or administrative legal proceedings, including appeals, arising from or related to this Lease, each party shall bear its own attorney's fees. For civil proceedings, the Parties hereby consent to trial by the court and waive the right to jury trial.


30. Entire Agreement. This Lease constitutes the entire agreement of the Parties. There are no oral understandings dealing with the subject matter of this Lease. This Lease may not be amended, except in writing signed by the Parties. Any provisions hereof that by their terms extend or require performance beyond termination will remain in full force and effect after termination as necessary to effectuate such performance.


(Signatures on following page)

IN WITNESS WHEREOF, the District and Lessee, by and through their duly authorized representatives, have signed this Lease on the date below each signature, the last of which shall be inserted into the first paragraph.

ST. JOHNS RIVER WATER
MANAGEMENT DISTRICT

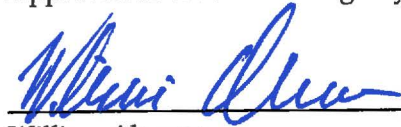
ATTEST:

By: 
Dr. Ann B. Shortelle, Ph.D., Executive Director,
or Designee

By: 
Title: General Counsel

Date: 4/21/2016

Approved as to form and legality


William Abrams
Sr. Assistant General Counsel

SUN GRO HORTICULTURE EXCAVATION
AND PROCESSING LLC.

Signed, sealed and delivered
in our presence as witnesses:

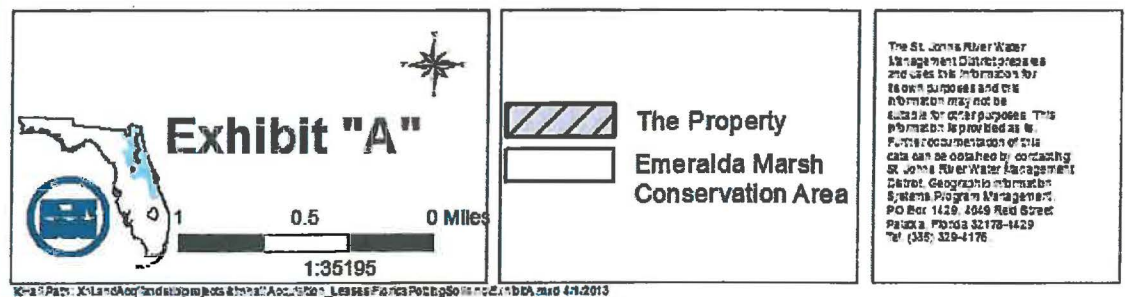



By: Mekarar Inc., an Ontario Corporation,
its Managing Member

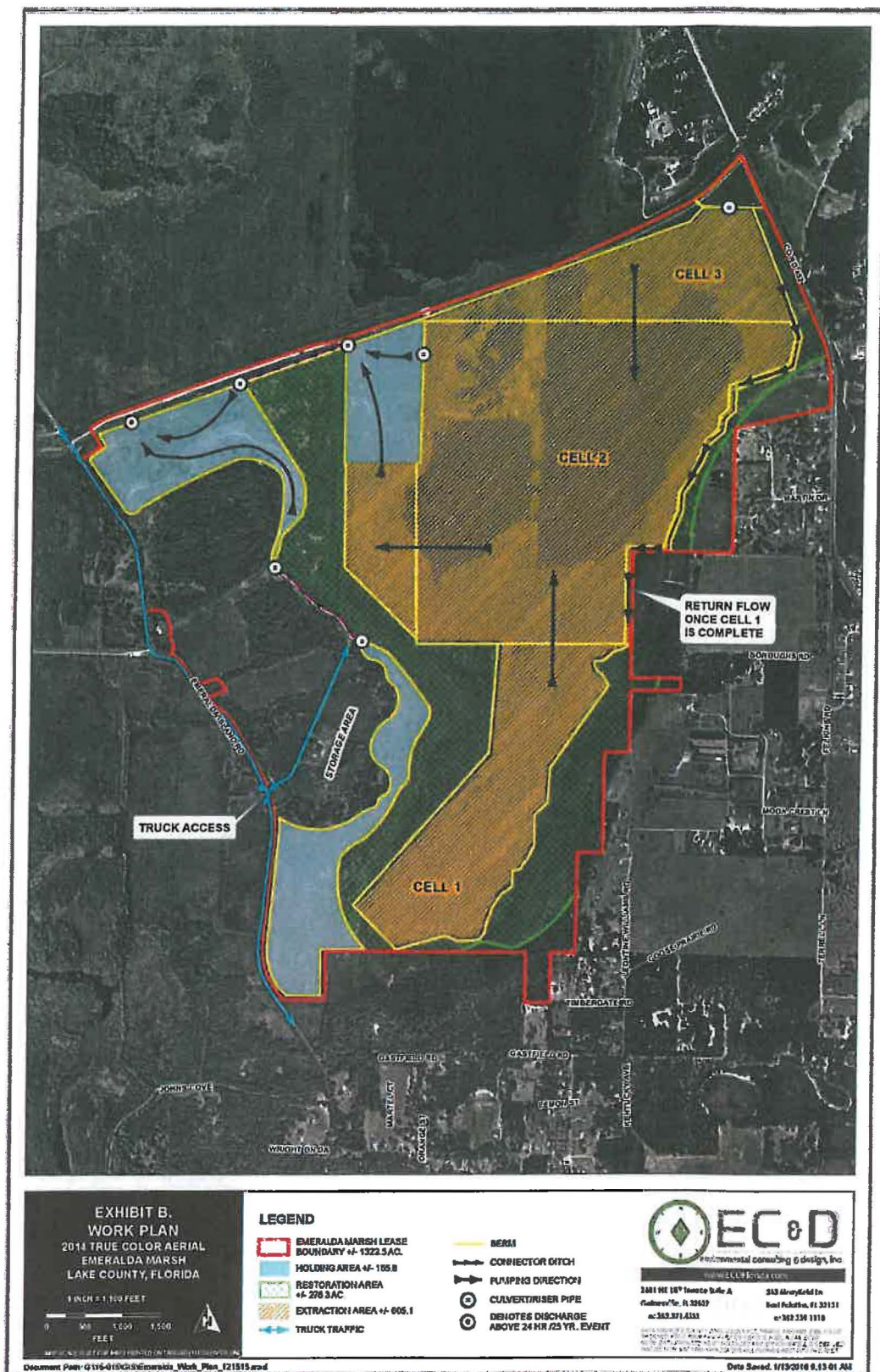
Per: 
David Koschitzky, ASO of Mekarar Inc.

Date: 11/4/16

The map shows the Emerald Isle area in Georgia. A large, irregularly shaped area is shaded in light blue, representing the water body. A road, labeled "Emerald Isle Road", runs along the northern and eastern edges of this area. To the east of the road, a large, irregularly shaped area is shaded in light blue with diagonal hatching, labeled "Out Parcels". Other labels on the map include "Whitaker, La" at the top, "Pine Lake" and "Little House Cr" in the upper right, "S. E. El Gravo Rd" and "152" (a road marker) on the right, "Felling Rd" on the far right, and "Goode Farms Rd" at the bottom right. A small yellow box with the text "Out Parcels" is located near the intersection of Emerald Isle Road and the hatched area.







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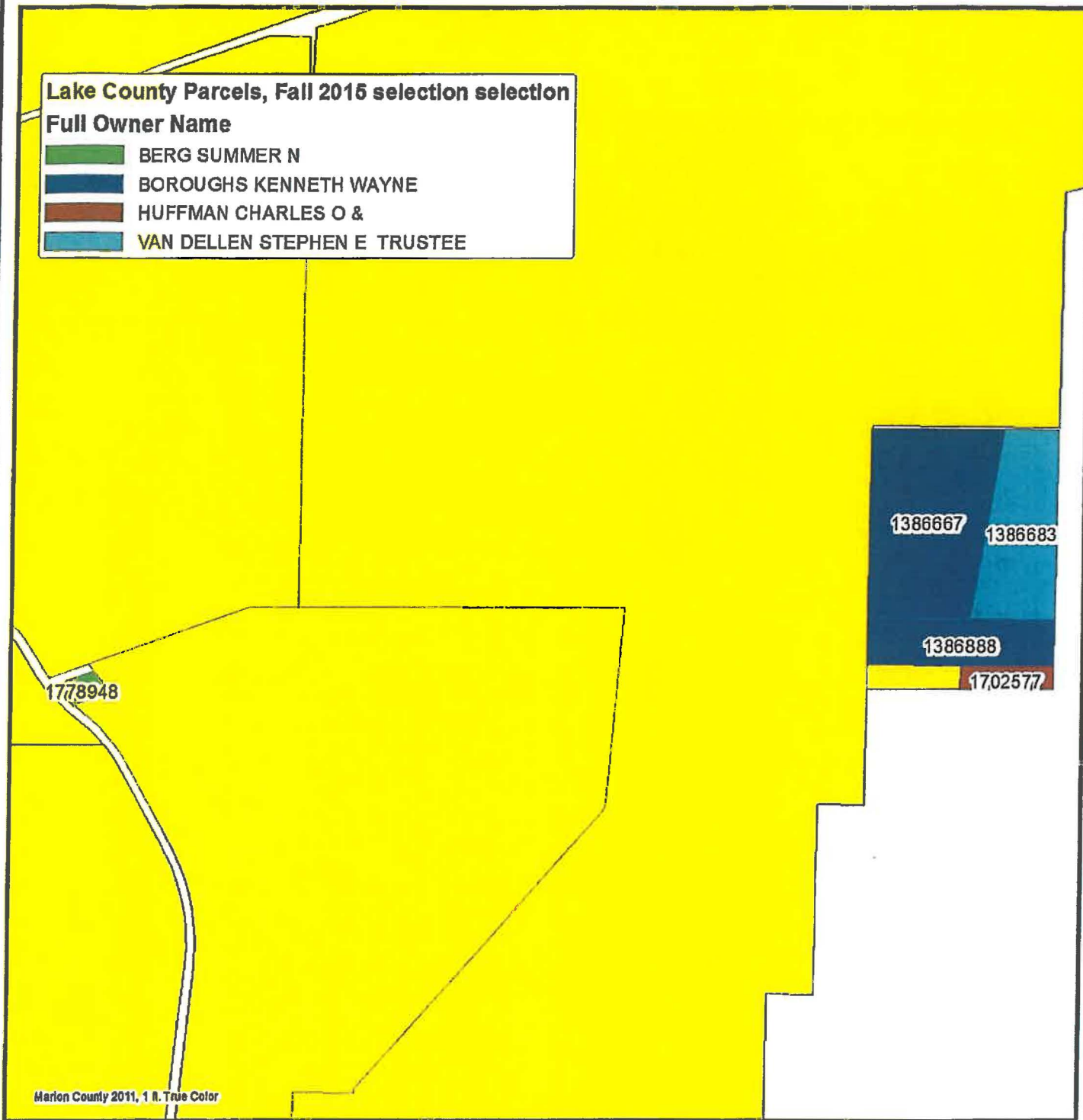


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Lake County Parcels, Fall 2015 selection selection

Full Owner Name

-  BERG SUMMER N
-  BOROUGHs KENNETH WAYNE
-  HUFFMAN CHARLES O &
-  VAN DELLEN STEPHEN E TRUSTEE



Marion County 2011, 1 R. True Color



**Lake
County**



0.15 0.075 0 Miles



1:11528

Emeralda

EXHIBIT C

The St. Johns River Water Management District prepares and uses this information for its own purposes and this information may not be available for other purposes. This information is provided as is. Further documentation of this data can be obtained by contacting: St. Johns River Water Management District, Geographic Information Systems, Program Management, P.O. Box 1429, 4049 Reid Street Palatka, Florida 32178-1429 Tel: (386) 329-4176.