STATE OF FLORIDA
COUNTY OF NASSAU

224- 010967

GROUND LEASE AGREEMENT

This Lease is made and entered into this 12th day of June, 1986, by and between CONTAINER CORPORATION OF AMERICA, a Delaware corporation, doing business in Florida with an office at North Eighth Street, Fernandina Beach, Florida 32034, hereinafter referred to as "LESSOR", and Ocean Highway and Port Authority, a political subdivision duly organized and created by special acts of the Florida legislature, with an office at 11 North 14th Street, Box 2, Rm. 119, Fernandina Beach, FL 32034, hereinafter referred to as "LESSEE".

EFFECTIVE AUG 4 1986 Federal Maritime Commission

W I T N E S S E T H :

In consideration of, and in exchange for, the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I. DEMISE OF LEASED LAND

1.01 LESSOR, for and in consideration of the rents to be paid, and the covenants and conditions herein contained to be kept, performed, and observed by LESSEE, does lease and demise to LESSEE, and LESSEE does rent and accept from LESSOR, such property interest as LESSOR may have in the real property described in Exhibit "A", attached hereto and incorporated herein by reference, hereinafter referred to as the "Property", for the term, subject to the terms and conditions, and for the purposes described herein.

1.02 LESSOR makes no representations or warranties as to its title to said Property. LESSEE acknowledges and agrees that LESSEE has made such investigation of title to said Property and inspection and survey of said Property as LESSEE, in its sole discretion, deemed necessary, and LESSEE hereby agrees to lease said Property subject to all covenants, conditions, restrictions, easements and claims of third parties, whether recorded or unrecorded, asserted or yet unasserted.

1.03 LESSOR covenants and agrees that LESSEE, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on LESSEE's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Property during the term of this Lease without interference by LESSOR, except as provided in this Lease.

ARTICLE 2. LEASE TERM

2.01 This Lease shall be for a term of forty-five (45) years, commencing on August 1, 1986, and expiring at 11:59 p.m. on July 31, 2031 unless sooner terminated as herein provided (hereinafter referred to as the "Lease Term"). Provided, however, that this Lease shall not become effective unless and until it is both properly filed with and approved by the Federal Maritime Commission (and satisfies any other Federal Maritime Commission prerequisites to its effectiveness) without change unacceptable to either LESSOR and LESSEE; in the event that this does not occur within one year of the date both parties have executed the Lease, this Lease Agreement shall terminate.

2.02 Upon expiration or termination of said Lease Term, LESSEE shall surrender said Property as provided in Paragraph 6.04 below.

2.08 If LESSEE shall hold over after the expiration of the Lease Term, such tenancy shall be from month to month and subject to all the terms, covenants, and conditions of this Lease.

ARTICLE 3. RENT

3.01 The rent for the use and occupancy of the Property, hereinafter the "Annual Rental Payment", shall be the following:

(a) For the first year this Lease is in effect (August 1, 1986 through July 31, 1987), $5,000.00 per year, and

(b) For each subsequent year (August 1 to July 31) the Lease is in effect, the higher of the Annual Rental Payment due and paid the immediately preceding August 1 or the amount determined by making the adjustments described in paragraph 3.03.

3.02 LESSEE agrees to pay to LESSOR the Annual Rental Payment no later than each August 1 this Lease is in effect, to cover the lease year commencing on that date. The first Annual Rental Payment shall be due by August 1, 1986.

3.03 The Annual Rental Payment for each year after the first year this Lease is in effect shall be calculated as follows:

The higher of (the Annual Rental Payment due and paid the immediately preceding August 1) or (A x B/C) = Annual Rental Payment

where A = $5,000 (Constant Annual Base Rental)

B = Producer Price Index for all commodities for the month of January immediately preceding the August 1 payment date when the annual payment is due; and

C = 309.0 (Constant Denominator, which is the Producer Price Index for all commodities for January, 1986).

For example, if B = 310 for the calculation of rental payment due by August 1, 1987 and B = 311 for the calculation of the rental payment due by August 1, 1988, the Annual Rental Payment due August 1, 1987 would be:

$5,000 x 310.0/309.0 = $5016.18 (which is higher than $5,000).

The Annual Rental Payment due August 1, 1988 would be:

$5,000 x 311.0/309.0 = $5032.36 (which is higher than $5016.18).

If, however, B = 309.5 for the calculation of the Annual Rental Payment due August 1, 1988, the Annual Rental Payment due August 1, 1988 would be $5016.18 (the payment due August 1, 1987) since that amount is higher than $5,000 x 309.5/309.0=$5008.09.

Except as provided in Article 3.04 below, A (Constant Annual Base Rental) shall always be $5,000. B will be determined for each annual calculation and thus may be adjusted upward, downward or remain the same from year to year; the January PPI all commodities index to be used as B shall be that January PPI all commodities index first published by the Bureau of Labor Statistics for the relevant year; no later revisions to the January PPI all commodities index for the relevant year shall be taken into account. C (Constant Denominator) shall always remain 309.0.

B and C are based upon the Bureau of Labor Statistics (or a successor agency) using 1967 as the base year for the PPI all commodities (not seasonally adjusted) index it publishes; in the event the base year is revised by the Bureau or its

successor, to determine factor B January indices published after such base year revision shall be recalculated based on 1967 remaining the base year. Should the Bureau of Labor Statistics or its successor cease publishing the Producer Price Index for all commodities, the parties hereto agree to select and use another substantially similar index.

3.04 The Constant Annual Base Rental (factor A) of $5,000 is based on all of the Property described in Article 1 and Exhibit A being leased to LESSEE. In the event certain portions of the Property are taken out of the Lease for some reason permitted by this Lease, the Constant Annual Base Rental shall be reduced in the same proportion that the portion of land taken out of the Lease bears to the total of the Property originally leased.

ARTICLE 4. TAXES, ASSESSMENTS, AND UTILITIES

4.01 LESSEE agrees to pay all real property taxes, special taxes, or assessments, including street improvement liens, if any, all property taxes on personal property located on the Property, all charges or fees in lieu of taxes, all impact fees and all other taxes and governmental charges of any kind levied or assessed upon or against the Property, against LESSOR by virtue of LESSOR'S property interest in or lease of this Property (excluding income tax due from LESSOR as a result of receipt of Annual Rental Payments) or against LESSEE at any time during the Lease Term. If LESSOR is legally required to pay or does voluntarily pay such taxes, LESSEE agrees to promptly reimburse LESSOR for payments for such taxes.

4.02 For any fraction of a tax year at the beginning or end of the Lease Term, the obligation shall be prorated as of the commencement or end of the Lease Term. For any such fraction of a tax year at the beginning of said term, LESSEE

agrees to reimburse LESSOR for LESSEE'S portion of such taxes within sixty (60) days after presentation to LESSEE of receipted copies of the bills covering the same. For any such fraction of a tax year at the end of the Lease Term, or any extension, LESSOR agrees to reimburse LESSEE for LESSOR's portion of such taxes within sixty (60) days after presentation to LESSOR of receipted copies of the tax bills.

4.03 LESSEE shall have the right to contest the amount or validity of any such tax by appropriate legal proceedings. If requested by LESSEE, LESSOR shall join in any such proceedings if LESSOR is a necessary party in order for LESSEE to prosecute such proceedings; LESSEE shall reimburse LESSOR for all costs and expenses incurred by LESSOR in joining such proceedings.

4.04 Unless expressly set forth in this Lease, LESSOR shall have no obligation to provide (or take any steps to assure provisions of) any services, materials, equipment, clean-up, improvements, utilities (including but not limited to water, heat, gas, electricity, sewers, connections or connection fees, rail or other transportation service or facilities) or maintenance to LESSEE at any time before, during or after the Lease Term and LESSEE agrees to pay for (and hold LESSOR harmless from) all costs, expenses, and charges of any kind arising in any way from LESSEE'S lease, use or abandonment of the Property; provided, however that each party shall bear its own expenses incurred in the negotiation, administration or enforcement of the Lease and its terms unless specifically provided otherwise in this Lease.

ARTICLE 5. USE OF PREMISES

5.01 LESSEE shall have the right, subject to the terms and conditions of this Lease, to use the Property only as a commercial seaport for cargo and for activities directly

related to such commercial seaport (hereinafter "Permitted Uses") and LESSEE agrees to make no other use whatsoever of the Property. LESSEE acknowledges and agrees that because of the proximity of said Property to LESSOR'S papermill and related operations, use of said Property for a passenger terminal, recreational marina, hotel or motel, residences, entertainment or eating places, or for similar recreational, commercial or residential purposes would be incompatible with the industrial nature of LESSOR'S operations, that locations other than said Property are available for such uses and that such recreational, commercial or recreational uses are among the uses which shall not be deemed Permitted Uses. Any use of the Property for any purpose other than Permitted Uses shall be cause for immediate termination of this Lease by LESSOR notwithstanding any other provision of this Lease regarding termination.

5.02 LESSEE acknowledges that said Property is subject to the interest of Seaboard Coast Line Railroad Company recorded in Deed Book "B2", page 500 and 501, public records of Nassau County, Florida (a copy of which is attached hereto as Exhibit B and incorporated herein) and LESSEE agrees that no use of the Property by LESSEE shall interfere with such interest of The Seaboard Coast Line Railroad Company or its successor. LESSEE understands that, in view of Seaboard's interest in the land identified in such recorded document, Seaboard Coast Line or its successor may have the right, among other things, to add a second rail line within the land in which it holds such interest and LESSEE agrees not to interfere in any way with the installation or operation of either the existing road bed or such additional road bed as might be installed within the right of way. LESSOR reserves the right to itself to operate rail cars on the right of way subject to whatever agreements as may be necessary or desirable between LESSOR and Seaboard or its successor or other appropriate party. LESSEE acknowledges and agrees that the land currently subject to

Seaboard's interest is currently used for rail service, including use to provide rail service for LESSOR'S needs and LESSEE shall not in any way interfere with such use. LESSEE further acknowledges that in order for LESSOR to have adequate rail service for its papermill and related operations, such rail service must have access through said Property and LESSEE agrees that no use of said Property by LESSEE shall in any way interfere with rail service for LESSOR'S operations. LESSEE represents that the most rail traffic it anticipates to be generated as a result of operation of a seaport is 15 rail cars per day. LESSEE represents and agrees that it shall have installed, prior to the commencement of shipping of cargo in and out of such seaport, a new rail line on the Property to handle rail traffic and such rail spurs, staging and other facilities on or off the Property (in accordance with the criteria set forth in Exhibit C attached hereto and incorporated herein) to avoid any rail traffic congestion or delay as a result of rail traffic of 15 rail cars/day. In addition, LESSEE agrees that in the event such rail traffic at any time during the Lease Term exceeds such rate or, whether or not such rate is exceeded, rail traffic congestion or delay occurs, LESSEE will promptly cause such additional rail lines, spurs, staging areas and other facilities to be installed and put into operation on the Property or at other locations as may be necessary to alleviate any rail traffic congestion or delay which might otherwise result in interference with expeditious rail service for LESSOR'S operations. As provided in 5.05 below, LESSEE shall be responsible for obtaining all permits, reviews and approvals.

5.03 LESSOR agrees to construct, within ninety (90) days of the date of this Lease, a paved road on said Property in order to connect LESSOR'S papermill operations to said Property to allow ease of truck transport between LESSOR'S papermill site and said Property. Said road shall be sufficient to support use of 50 ton

tractor trailers. LESSEE shall fully cooperate with LESSOR in obtaining consent from the Seaboard Coast Line Railroad or its successor in permitting such road to cross the land in which Seaboard has its interest; LESSEE shall be solely responsible for obtaining any other permits, reviews or approvals necessary for the construction and use of such road on the Property. LESSEE shall cooperate with LESSOR in coordinating any such construction with any related road construction LESSOR may deem necessary on its papermill site. LESSEE shall be fully responsible for maintaining such road located on the Property during the Lease Term and for complying with the requirements of Seaboard Coast Line Railroad or its successor as a condition to allowing access across the land in which Seaboard has its interest. LESSEE shall be required to hold such road for the exclusive use of trucks transporting goods to or from LESSOR'S papermill site.

5.04 LESSEE agrees to lease the Property in its PRESENT AS IS CONDITION. LESSEE acknowledges that (i) prior to the execution of this Lease, LESSEE has been given full access to said Property for the purpose of making all inspections and investigations, taking samples, making tests, and doing all other things which LESSEE, in its sole discretion deemed advisable; (ii) that LESSEE has relied solely on its own judgment and investigation or that of its agents in deciding to lease the Property and has not and is not relying on any representation (including but not limited to investigations, tests, samples, or reports) made by, for or on behalf of LESSOR; (iii) LESSEE is aware of allegations that the Property may contain hazardous waste, that pursuant to a license granted by LESSOR, LESSEE'S agents have had continuous access to the Property for several months prior to the execution of this Lease, and that LESSEE has made its own investigation of such allegations, (iv) that in consideration of the low Annual Rental Payments, among other things, provided in this Lease, LESSEE agrees and does hereby assume all obligations to take

such actions (including but not limited to testing, ground water or other monitoring, clean-up and closure and any other remedial action whether on or off site) as may now or hereafter be required to assure that the condition, use and cessation of use of the Property is safe, environmentally sound and in full compliance with all Federal, state and local laws, regulations, permits and orders of any governmental authority or court, (v) that as between LESSOR and LESSEE, such obligations reasonably and fairly lie with LESSEE in view of the foregoing, and that any risk, liability, cost or expense to LESSEE from making improvements or taking any other steps without completely resolving any issues which may exist regarding such allegations or any other concern regarding the condition of the Property shall rest solely on LESSEE. LESSOR MAKES NO REPRESENTATION OF ANY KIND ON ANY MATTER, including but not limited to the condition of the Property, its use during or before LESSOR obtained any property interest in the Property, its condition (including but not limited to the surface or subsurface soil or water), zoning, suitability for Permitted Uses or any other use, the availability or existence of or need for any permits or other approvals of any kind, utilities, availability of transportation or other services, access, or LESSOR'S intent to use or not use any port facilities or to ship through such port. LESSEE specifically acknowledges that LESSOR has not made, (and does not, by executing this Lease, make) any representation or commitment that it will ship goods, supplies, materials, equipment or anything else through such seaport.

5.05 LESSEE agrees that it shall be fully and solely responsible, in regard to the condition, any use, cessation of any use, and lease of the Property (and for any activities undertaken beyond the Property related in any way to the condition or use of the Property, including but not limited to waste disposal): (i) for complying with all applicable Federal, State and local governmental and judicial

authorities, laws, ordinances, regulations and orders; and (ii) for obtaining and complying with all permits, reviews, and approvals and orders of any kind in any way required or desirable, (whether from a Federal, state or local agency, court or other governmental authority, Trustee or lender, railroad or utility, or any other person or entity, and including but not limited to Corps of Engineer permits, air, water, waste disposal, oil tank or other storage or handling permits or any other kind of environmental permit, approvals which may be necessary for handling cargo or materials presenting safety or other hazards, zoning changes, planning authorities approvals, building permits, Federal Maritime Commission review or approval, and sidetrack agreements). LESSEE shall be responsible for paying all fines, penalties, assessments and other costs and charges which may arise directly or indirectly from non-compliance with such obligations (or reimbursing LESSOR, if paid by LESSOR).

LESSOR shall cooperate with LESSEE in attempting to obtain such permits, reviews and approvals where they must be obtained by the owner or lessor of property; LESSOR may, but shall have no obligation to cooperate with LESSEE in regard to other permits, reviews and approvals. LESSEE hereby acknowledges and agrees that in seeking and accepting any permits, review and approvals, LESSEE shall have no authority to make any commitments for or on behalf of LESSOR or to accept any provisions which would or might obligate or bind LESSOR. LESSEE shall reimburse and indemnify LESSOR for all costs and expenses incurred by LESSOR in helping seek or obtain any permits, reviews or approvals of any kind. If the activities sought to be allowed by such permits, reviews or approvals are incompatible, in LESSOR'S judgment, with operation of LESSOR'S papermill and related operations, LESSOR shall have no obligation to cooperate with LESSEE and LESSOR may oppose in such manner as LESSOR deems appropriate such permit, review or approval.

5.06 It shall be grounds for LESSOR to terminate the Lease if LESSEE seeks permits, approval, review or legislation or orders from governmental bodies, or adopts such rules or orders itself in the exercise of its powers as a political subdivision which are contrary to the Permitted Uses or LESSEE'S obligations undertaken under this Lease. Any rezoning undertaken by the City of Fernandina or any other governmental authority for, on behalf of LESSEE or related in any way to LESSEE'S activities and which adversely affects LESSOR's papermill or related operations may at LESSOR's option be grounds for termination of this Lease.

ARTICLE 6. CONSTRUCTION BY LESSEE

6.01 LESSEE shall have the right, at any time and from time to time during the Lease Term, to erect, maintain, alter, remodel, reconstruct, rebuild, replace, and remove improvements on the Property, including buildings, fixtures, machinery, equipment, piers, tanks, roads, and signs, subject to the following conditions:

(a) The cost of any such work shall be borne and paid for by LESSEE;

(b) The Property shall at all times be kept free of mechanics' and materialmen's liens as hereinafter more specifically provided;

(c) Prior to construction, LESSEE shall provide LESSOR with copies of architects' or engineers' drawings showing the exterior appearance and dimensions of major improvements and obtain LESSOR'S approval, which shall not be unreasonably withheld;

(d) LESSOR shall be notified prior to commencement of any such major improvements; and

(e) All work is done, and all improvements constructed, maintained, removed and disposed of in a safe and prudent manner, and in accordance with all relevant laws, rules and orders and all applicable codes .

6.02 LESSEE shall commence continuous operation of commercial seaport for cargo at the site of the Property no later than five years of the date of this Lease; if LESSEE fails to do so, LESSOR may, at the end of such period or at any time thereafter terminate the Lease upon thirty (30) days prior written notice

6.03 Until the expiration or sooner termination of the Lease, any and all buildings, fixtures, machinery, docks, roads, tanks, equipment, signs and all other personalty or real property improvements that at any time during the Lease Term are constructed, placed, or maintained on the Property by or for LESSEE shall be the property of LESSEE, and LESSEE shall have the right at any time during the Lease Term to remove any such improvements.

6.04 Upon the expiration or sooner termination of the Lease, LESSOR shall become the owner of all buildings, fixtures, docks, roads, tanks, and equipment and machinery which is affixed to the Property or to a building or other structure and not reasonably removable without damage thereto, (together hereafter called "realty improvements"), provided that LESSOR shall have the right, in LESSOR'S sole discretion, to require LESSEE to remove any or all of realty improvements as LESSOR shall specify by notice to LESSEE. Such notice shall be submitted to LESSEE at any time within six months before or after expiration or termination of the Lease; if LESSOR gives such notice, LESSEE shall complete removal of such

improvements as have been specified within a reasonable time (but in no event longer than six months after receipt of such notice), and further provided that LESSOR shall have the right in its notice to require LESSEE to immediately remove any realty improvements which LESSOR reasonably believes creates a safety, environmental or other hazard and to require LESSEE to have performed such environmental tests (including but not limited to tests of surface and subsurface soil and water) on or off the Property as necessary to demonstrate, to LESSOR'S satisfaction that there is no pollution or contamination of or from the Property. LESSEE shall promptly and properly both remove from the Property and dispose of all personal property, including vehicles, personalty such as cargo of third parties, gasoline, oil, other chemicals (including any residues and wastes), debris and rubbish, supplies, signs and furnishings, and equipment and machinery (which is not affixed to the Property or to a building or other structure or which, if so affixed, may be reasonably removable without damage thereto). LESSEE shall repair all damage of any kind caused by the removal of personal property and the removal of such realty improvements, if any, which LESSOR has thus required to be removed. All realty improvements left on the Property shall be left in good repair, and such realty improvements and the Property shall be left in a safe and environmentally sound condition and in compliance with all applicable laws, regulations and codes. Further, in addition to all other obligations of LESSEE (including but not limited to the indemnity obligations in Article 15), LESSEE agrees and does hereby assume all obligations (including but not limited to testing, ground water and other monitoring, clean-up and closure and any other remedial action, whether on or off site) as may be required at or after the end of the Lease Term to assure that neither the Property nor contiguous or non-contiguous land or water contains or presents any environmental or safety hazards of any kind as a result of the condition of the Property at the time LESSEE entered this

Lease or as a direct or indirect result of use or cessation of use of the Property under this Lease.

If LESSEE shall in any way fail to comply with its obligations set forth in the immediately preceding paragraph, LESSOR, in addition to all other remedies it may have, shall have the right to itself take all necessary steps to put the Property and the realty improvements in the condition required, including but not limited to removing such realty improvements and personalty not properly removed by LESSEE, constructing or having constructed any realty improvements improperly removed, remedying any damage or condition not properly remedied; and taking any other steps which LESSEE was obligated to but failed to perform and LESSEE shall be obligated to reimburse and indemnify LESSOR for all expenses, losses, and damages incurred by LESSOR arising therefrom.

ARTICLE 7. ENCUMBRANCE OF LEASEHOLD ESTATE

7.01 LESSEE may, at any time or from time to time during the Lease Term, encumber by mortgage or other security instrument LESSEE's interest under this Lease and the leasehold estate hereby created after obtaining the written consent of LESSOR, which consent shall not be unreasonably withheld; LESSOR shall have the right to condition such consent on terms and conditions reasonable to protect LESSOR'S interests and rights. LESSEE'S right to so encumber LESSEE'S interest is also subject to the condition that all rights acquired under such mortgage or other security instrument shall be subject to each and all of the covenants, conditions and restrictions set forth in this Lease and to all rights and interests of LESSOR herein, none of which is waived by LESSOR by reason of the right given so to encumber such interest in this Lease, except as expressly provided herein.

7.02 If LESSOR consents as provided in Paragraph 7.01 above to encumbrance of LESSEE'S interest by a specific lender, such lender on the security of the leasehold estate shall have the right at any time during the Lease Term to do any act or thing required of LESSEE under this Lease, which shall be as effective to prevent a forfeiture of LESSEE's rights under this Lease as if done by LESSEE. Such Lender shall be entitled to receive a copy of any written notice from LESSOR to LESSEE of any default by LESSEE under this Lease and Lender shall have the right to cure any such default within the same period, if any, after service of notice upon it, as LESSEE has. If the default entitles LESSOR to terminate this Lease, and if within ten days of notice of termination or intent to terminate such Lease, Lender notifies LESSOR of its desire to nullify such notice and shall have paid all Annual Rental Payments and all other payments due under the Lease and shall have complied with all of the other requirements of the Lease (or if the default is of such nature that it cannot reasonably be cured within such ten day time period, the Lender shall have commenced effective actions to cure the default and thereafter diligently proceed to completely cure such default within a reasonable time), then LESSOR shall have no right to terminate the Lease for such default; provided, however, that Lender shall have no right to nullify the notice of termination by curing the default as just provided in the event that the Lease is terminated as provided in paragraphs 10.05 (relating to condemnation proceedings threatened or commenced), 6.02 (relating to operation of a seaport within five years), 5.06 (as it relates to LESSOR'S termination rights) or 5.01 (as it relates to LESSOR'S termination rights).

In the event that Lender takes steps to acquire or sell LESSEE'S leasehold interest by foreclosure or otherwise and substitute its nominee as LESSEE, Lender shall obtain LESSOR'S prior written consent, which shall not be unreasonably withheld; LESSOR shall have the right to

condition such consent on the imposition of such additional requirements in the Lease as LESSOR in its judgment reasonably deems necessary.

ARTICLE 8. REPAIRS AND RESTORATION

8.01 LESSEE, at LESSEE's cost and expense, shall, at all times during the Lease Term, keep and maintain or cause to be kept and maintained, all buildings and all other improvements on the Property in a good state of appearance and repair, reasonable wear and tear excepted.

8.02 If the Property, LESSEE's improvements, or any part of either is damaged or destroyed, LESSEE may either

(a) within thirty (30) days commence and diligently pursue to completion the repair or reconstruction of the Property and the improvements, and this Lease shall remain in full force and effect, or

(b) terminate this Lease upon thirty (30) days' written notice to LESSOR, in which event, among other provisions, the provisions of Paragraph 6.04 regarding LESSEE'S obligations in the event of termination of the Lease, shall apply.

ARTICLE 9. MECHANICS' LIENS

9.01 If any mechanics' liens or other liens shall be recorded against the Property or any interest in or improvements on the Property, LESSEE shall promptly take all steps necessary to cause the same to be removed. If LESSEE in good faith desires to contest the same, LESSEE may do so, but in such a case LESSEE agrees to indemnify and hold LESSOR harmless from all liability for damages occasioned thereby and, in the event of a judgment of foreclosure upon such a

lien, to cause the lien to be removed in sufficient time to prevent the execution of the judgment.

ARTICLE 10. CONDEMNATION

10.01 In the event the entire Property shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, this Lease and all of the right, title, and interest thereunder shall cease on the date title to the Property vests in the condemning authority, unless LESSOR earlier terminates the Lease as herein provided.

10.02 In the event of the taking or transfer of only a part of the Property leaving the remainder of the Property in such location, or in such form, shape, or reduced size as to be not effectively and practicably usable for the purpose of operation thereon of such commercial seaport or major activities directly necessary thereto, this Lease and all right, title, and interest thereunder shall cease on the date title to the portion of the Property so taken or transferred vests in the condemning authority, unless LESSOR earlier terminates the Lease as provided herein.

10.03 In the event of the taking or transfer of only a part of the Property leaving the remainder of the Property in such location and in such form, shape, or size as to be able to be used effectively and practicably for the purpose of operation thereon of LESSEE's commercial seaport and major activities directly necessary thereto, this Lease shall terminate and end as to the portion of the Property taken or transferred as of the date title to such portion of the Property vests in the condemning authority and shall continue in full force and effect as to the portion of the Property not so taken or transferred. From and after the date of transfer of title to a portion of the Property to the condemning authority, the rental required to be paid by LESSEE to LESSOR shall be

reduced in the proportion which the portion of the Property so transferred bears to the total of the Property originally leased.

10.04 A voluntary conveyance by LESSOR to a public utility, agency, or authority under threat of a taking under the power of eminent domain in lieu of formal proceedings shall be deemed a taking within the meaning of this Article.

10.05 LESSOR and LESSEE shall each be obligated to notify each other in the event that such party has knowledge that any proceeding to condemn all or a significant part of the Property are undertaken or threatened. In the event that such proceedings are commenced or threatened, either LESSOR or LESSEE may, at its option, terminate the entire Lease upon thirty (30) days prior notice.

In the event that any proceedings to condemn all or a significant part of the Property are commenced or threatened by LESSEE or by any authority entitled to the power of eminent domain for and on behalf of LESSEE, LESSOR shall be entitled to receive the entire award in the condemnation proceeding, including the value of the award made for the value of the estate vested in the LESSEE by this Lease, and LESSEE expressly assigns to LESSOR any and all right, title and interest of LESSEE now or hereafter arising in or to any such award or any part thereof, and LESSEE shall not be entitled to receive any part of such award.

ARTICLE 11. ASSIGNMENT AND SUBLEASE

11.01 LESSEE may not assign this Lease without the written consent of LESSOR. In the event of an assignment upon LESSOR's consent, the assignee shall be bound by and be liable for the performance of all terms and provisions of this Lease applicable to LESSEE from and after the effective date of the assignment.

11.02 LESSEE may sublease all or any portion of the Property from time to time in connection with the operation of a commercial seaport for cargo, but only upon the written consent of LESSOR. (The terms 'sublease' and 'sublessee' are defined in 16.10(g) below). The requirement that prior written consent be obtained from LESSOR includes but is not limited to any sublease to Nassau Shipping Co. Inc. Any sublease shall be subject to all terms and provisions of this Lease. Termination of this Lease prior to expiration of such a sublease shall, at LESSOR's option, operate to terminate any such sublease or operate as an assignment of LESSEE's interest as sublessor to LESSOR.

11.03 In the event that LESSOR consents to an assignment of all or part of this Lease or to sublease of all or part of the Property by LESSEE, LESSEE shall remain fully and completely responsible for payment of all monies due and for the faithful performance of all of the covenants, terms, and conditions set forth in this Lease on the LESSEE'S part to be performed.

ARTICLE 12. TERMINATION

12.01 In addition to the termination provisions of 5.01, 5.06, 6.02 and of Article 10, LESSOR may, at its option, terminate the Lease in the event that LESSEE fails to make any Annual Rental Payment and other payment as and when due under the Lease or otherwise fails to perform any of the other covenants, conditions or agreements set forth in this Lease on LESSEE'S part to be performed or kept (hereafter 'Default'); provided that, except as otherwise specified in this Lease, (i) LESSOR gives LESSEE notice of such Default and of LESSOR'S intent to terminate the Lease if such Default is not remedied within the time period provided in (ii) below for LESSEE to cure such Default; (ii) LESSEE fails to completely cure such default within sixty days of such notice of Default (the

'Notice Period') (or if the Default is of such a nature that it cannot be completely remedied within the Notice Period, LESSEE fails to commence to cure the Default within the Notice Period or fails to diligently continue the curing of the Default or fails to completely cure such Default within such additional time as is reasonably necessary to cure the Default); provided that terminations pursuant to the provisions of Paragraphs 5.01, 5.06, 6.02 and Article 10 shall require no Notice Period for cure; and (iii) LESSOR gives LESSEE notice of election to terminate the Lease upon a date specified in such notice, which date shall not be less that ten (10) business days after the date of such notice.

12.02 In addition to the termination provisions of Article 10, LESSEE may, at its option terminate this Lease:

(i) by giving LESSOR sixty (60) days' written notice if, despite diligent efforts:

(a) LESSEE is unable to obtain zoning or the permits and authorizations required for construction, or such permits and authorizations are available only upon terms and conditions which in LESSEE'S reasonable judgment are not satisfactory to LESSEE; or

(b) LESSEE shall be prevented or unreasonably hindered in commencing or completing construction of or operating or continuing to operate a commercial seaport by reason of: (i) act of God or the elements; (ii) shortage or unavailability of necessary materials, supplies, or labor; (iii) shortage of or interruption in transportation facilities; (iv) applicable governmental regulations or restrictions; or (v) any other cause beyond LESSEE's control.

(ii) for any other reason or for no reason, by giving LESSOR six (6) months prior notice.

12.03 Upon expiration or termination of the Lease Term, LESSEE agrees to redeliver possession of the Property to LESSOR in accordance with the provisions of Paragraph 6.04 above.

ARTICLE 13. AUTHORIZATION TO LEASE

13.01 LESSEE acknowledges that, at the time of execution of this Lease, LESSEE provided LESSOR a written opinion of LESSEE'S counsel, set forth in Exhibit D attached hereto and incorporated herein, representing, as more fully set forth therein, that LESSEE had the authority to execute this Lease and be bound by all its terms and that the Lease was duly adopted.

13.02 LESSOR shall have the right at any time during the Lease Term to require LESSEE to promptly provide such assurances, in the form of certifications, written opinions of LESSEE'S counsel or otherwise as LESSOR may reasonably deem appropriate that LESSEE has the legal authority and the financial ability to comply with all of its obligations under the Lease. LESSOR shall have the right to require such assurances in regard to sublessee obligations from the Nassau Shipping Co., Inc., and any other sublessee which, under a sublease, is in LESSOR'S reasonable judgment conducting significant operations on the Property. In the event LESSEE (or Nassau Shipping Co. Inc. or other such sublessee) is unwilling or unable to provide such assurances to LESSOR'S reasonable satisfaction or in the event other events occur including but not limited to actual or threatened legislative changes to LESSEE'S authority which raise reasonable doubts as to LESSEE'S legal authority and financial ability to be bound by and carry out all of its obligations under the Lease,

LESSOR shall have the right to treat LESSEE as in default and terminate the Lease as provided in Paragraph 12.01 above.

ARTICLE 14. INSURANCE

14.01 During the entire Lease Term and for a period of one year thereafter, LESSEE agrees to maintain the following insurance coverage:

(i) Comprehensive General Liability insurance for bodily injury and property damage in connection with LESSEE'S and LESSEE'S employees', agents', contractors', sublessees', and licensees' operations on or in conjunction with the Property in the amounts of $1,000,000 combined single limit per occurrence and in the aggregate; the deductible per occurrence shall not exceed $100,000. This shall include coverage for premises operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual liability, broad form property damage, independent contractors, personal injury and sudden and accidental pollution;

(ii) Automobile Liability Coverage (including owned, non-owned and hired or rented vehicles of LESSEE or its agents and sublicensees), in the amount of $1,000,000 per occurrence, combined single limit; and

(iii) Excess Liability insurance (umbrella form) covering bodily injury and property damage in the amount of $5,000,000 per occurrence and in the aggregate; provided that such excess liability insurance need not be obtained until any shipping of any kind commences.

LESSEE shall be responsible for insuring all of its realty improvements and personalty on the Property, under fire and extended coverage policies; such policies, if obtained, shall waive all subrogation against LESSOR.

LESSOR shall be named an additional insured on the Comprehensive General Liability policy (including the Excess Liability policy) and the Automobile Liability Coverage policy. LESSEE may, at its option, comply with these insurance requirements by requiring Nassau Shipping Co., Inc. (or its successor, if any,in operating the seaport) to obtain and maintain such CGL (including Excess Liability) and Automobile insurance with the same coverage and in the same amounts as required herein, provided that LESSEE is a named insured on such policies and LESSOR is named an additional insured. LESSEE'S (or Nassau Shipping Co., Inc. or its successor) policies shall be endorsed to reflect that LESSEE'S (or Nassau Shipping Co., Inc. or its successor) insurance shall be primary.

At two year intervals, LESSOR shall have the right to require LESSEE to increase the monetary levels of such insurance to such amounts as LESSOR, in its reasonable judgment, shall deem necessary. In addition, LESSEE acknowledges that the insurance amounts set forth in (i)-(iii) above are based on LESSEE'S assumption concerning the level of operations in the first two years on the Property (including that the number of vessel dockings at the seaport related to the Property will not exceed 150 per year); LESSEE agrees that in the event that the number of dockings exceeds this number or the scope of activity on the Property increases from that assumed in the first two years, LESSOR shall have the right to require increased amounts of insurance reasonably reflecting increased risks.

All of the above insurance shall be obtained from an insurance carrier or carriers authorized to do business in Florida and satisfactory to LESSOR. LESSEE shall maintain any other insurance that will be required by Federal, State or local law.

14.02 LESSEE agrees to furnish LESSOR certificates of insurance as to liability insurance (and property insurance, if obtained) within ten (10) days of the execution of this Lease and from time to time thereafter; such certificates shall state the deductible amounts and shall provide that the insurance is not subject to change or cancellation without ten (10) days prior notice to LESSOR. Upon LESSOR'S request, LESSEE shall promptly provide a full copy of the policy or policies covered by certificates provided on the Property .

ARTICLE 15. INDEMNITY

15.01 LESSOR will not be liable to LESSEE, its agents, sublessees or anyone directly or indirectly employed by any of them, by virtue of this Agreement or because of the relationship hereby established, for any and all claims for injury, loss or damage of any nature whatsoever suffered by any of them (whether to persons, including death arising therefrom, or to property) from any cause whatever, whether resulting from, arising out of or caused by (in whole or in part) the negligent act, omission or default of LESSOR (its employees or agents or anyone for whom LESSOR may be liable) or otherwise.

In addition to all other obligations of LESSEE, LESSEE agrees: (i) to indemnify and hold harmless LESSOR from any and all loss, damage, and expense incurred by LESSOR and (ii) to defend. indemnify and hold harmless LESSOR, its agents, and anyone acting on behalf of or employed by LESSOR or its agents from and against all claims, damages, losses and expenses of third parties

which directly or indirectly:

(a) arise out of or result from any act or omission of LESSEE, its employees, its agents, contractors, sublessees, licensees, invitees, or anyone directly or indirectly employed

by any of them or anyone for whose acts any of them may be liable;

(b) arise out of or result from any worker's compensation, disability or similar benefit act; or

(c) arise under any scaffolding or structural work act or law, rule or order of any governmental body having jurisdiction relating to the protection of adjacent land owners.

LESSEE specifically agrees that the obligations stated above shall (i) apply without regard to whether any employee, agent, or others specified in (a) immediately above were or were not acting within the scope of authority granted them by LESSEE or others; and (ii) include all claims, damages, losses, liabilities, and expenses as stated above, whether resulting from, arising out of, or caused by (in whole or in part) the negligent act, omission or default of LESSOR (its employees or agents or anyone for whom LESSOR may be liable) or otherwise; further, the indemnification obligation shall not be limited by any limitation of the amount or type of damages, compensation, or benefits payable under applicable worker's compensation acts, disability acts or other employee benefit acts.

The foregoing indemnification remedy shall not deprive LESSOR of any other indemnity action, right or remedy otherwise available to the LESSOR, at common law, or otherwise.

ARTICLE 16. GENERAL PROVISIONS

16.01 All provisions of this Lease shall be deemed as running with the land and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

16.02 No failure by either LESSOR or LESSEE to insist upon the strict performance by the other of any covenant, agreement, term, or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such covenant, agreement, term, or condition, and no provision of this Lease shall be considered waived unless specifically waived in writing by the authorized representative of the party to whom such obligation is owed. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement, and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

16.03 Time is of the essence of this Lease and of each provision.

16.04 The time in which any act provided by this Lease is to be done is computed by excluding the day on which the obligation arises and including the last day of the period provided, unless the last day is a Saturday, Sunday, or legal holiday, in which case the period of time provided is extended to include the next day which is not a Saturday, Sunday, or legal holiday.

16.05. If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, laws, regulations or orders of other governmental authorities, or other cause beyond the reasonable control of the party obligated (financial inability excepted) and provided that the party seeking to be excused is without fault and acts with due diligence, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the

period of such delay. Nothing in this section, however, shall excuse LESSEE from the prompt payment of any rental or other charge required of LESSEE when such payment is due nor shall anything is this paragraph affect or excuse LESSEE'S performance of the obligations set forth in 5.01, 5.02, 5.03, 5.05, 6.02 or Article 14 above.

16.06 Each and all of the covenants, conditions, and restrictions in this Lease shall inure to the benefit of and shall be binding upon the successors in interest of LESSOR and, subject to the restrictions of Article 11, the authorized encumbrances, assignees, transferees, subtenants, licensees, and other successors in interest of LESSEE.

16.07 This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease, and no other agreement, statement, or promise made by any party, or to any employee, officer, or agent of any party, which is not contained in this Lease shall be binding or valid.

16.08 If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, LESSOR shall have the right, at its option, to terminate the Lease or to have the remainder of the provisions remain in full force and effect.

16.09 Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between LESSOR and LESSEE, and neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties shall be deemed to create any relationship between LESSOR and LESSEE other than the relationship of LESSOR and LESSEE.

16.10 The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not strictly for or against LESSOR or LESSEE. Unless otherwise provided in this Lease, or unless the context otherwise requires, the following definitions and rules of construction shall apply to this Lease:

(a) In this Lease the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the word "person" includes a corporation, partnership, firm, or association wherever the context so requires;

(b) "Shall", "will", and "agrees" are mandatory; "may" is permissive;

(c) Captions of the Articles, in this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease;

(d) All references to the Lease Term shall include any extensions of the Lease Term;

(e) References to the Property shall include the improvements on the Property;

(f) Parties shall include the LESSOR and LESSEE named in this Lease; and

(g) the word "sublessee" shall mean and include in addition to a sublessee and subtenant, a licensee; concessionaire; other occupant or user of any portion of the Property or buildings or improvements thereon; and an agent or representative of LESSEE which LESSEE hires, contracts with, or allows to manage or conduct for LESSEE some or all commercial seaport operations and activities directly related thereto. Any such arrangement with a sublessee shall constitute a "sublease" for purposes of this Agreement.

16.11 In the event either LESSOR or LESSEE shall bring any action or proceeding for damages for an alleged breach of any provision of this Lease, to recover rents, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings reasonable attorneys' fees and court costs.

16.12 Any sum accruing to LESSOR or LESSEE under the provisions of this Lease which shall not be paid when due shall bear interest at the rate of twenty (20) percent per annum (or the legal interest rate, if lower) from the date written notice specifying such nonpayment is served on the defaulting party until paid.

16.13 This Lease is not subject to modification except in writing signed by both parties.

16.14 All rents or other sums, notices, demands, or requests from one party to another shall either be personally delivered or sent by mail, certified or registered, postage prepaid, to the addresses stated in this section and shall be deemed to have been given at the time of personal delivery or at the time of mailing as provided in this section. All rents and other sums payable by LESSEE to LESSOR shall be by check payable to Container Corporation of America. All sums, notices, demands, or requests from LESSEE to LESSOR shall be given to LESSOR at

Container Corporation of America
North Eighth Street
Fernandina Beach, Florida 32034
Attention: Mill General Manager

with a copy to

Container Corporation of America
P. O. Box 1225
Stone Mountain, Georgia 30086
Attention: Regional Counsel

All notices, demands, or requests from LESSOR to LESSEE shall be given to LESSEE at

11 North 14th Street
Box 2, Room 119
Fernandina Beach, Florida 32034

Each party shall have the right from time to time to designate a different address by written notice given in conformity with this Article; notice of change of address shall be effective upon receipt.

16.15 Each of the parties represents and warrants that there are no claims for brokers' commissions or finders' fees in connection with the execution of this Lease.

ARTICLE 17 INSPECTION AND CURE BY LESSOR

17.01 LESSOR and LESSOR'S agents shall have the right, but not the obligation, to enter upon the Property at any time for the purpose of inspecting LESSEE'S compliance with the terms of this Lease and LESSOR shall have the right to inspect such records of LESSEE or its sublessees as LESSOR reasonably believes necessary to determine compliance with the Lease. No such inspection by LESSOR or its agents shall in any way affect any of LESSEE'S obligations under this Lease.

17.02 In addition to all other remedies LESSOR may have (including but not limited to the right to terminate the Lease), LESSOR and LESSOR'S agents shall have the right, but not the obligation, to take any and all steps necessary to perform any obligations which LESSEE is obligated to but has not performed and to enter upon the Property for such purpose. Except in an emergency, LESSOR shall give LESSEE reasonable notice, orally or in writing, before entering the Property for

such purpose. LESSEE shall be obligated to reimburse and indemnify LESSOR for all expenses, losses, and damages incurred by LESSOR arising therefrom.

ARTICLE 18. EXECUTION, RECORDING, AND INCORPORATION BY REFERENCE

18.01 Execution of this Lease by LESSEE constitutes an offer which shall not be deemed accepted by LESSOR until LESSOR has executed this Lease and delivered a duplicate original to LESSEE. This offer is not valid unless accepted before October 1, 1986. The submission of an unexecuted copy of this Lease for examination does not constitute an offer, reservation, or option for the Property.

18.02 The parties shall, concurrently with the execution of this Lease, execute, acknowledge, and record a memorandum lease in form satisfactory to LESSOR.

18.03 This Lease, consisting of thirty-three (33) pages, plus Exhibits A through D, has been executed by the parties in two (2) counterparts, each of which shall be deemed to be an original copy.

18.04 Exhibits A through D, inclusive, are attached to and made a part of this Lease.

18.05 This Lease has been executed by LESSOR on _____, 198_, and by LESSEE on _____, 198_, at _____, and _____ respectively.

LESSEE

Seal

_____

By: E. E. Lasserre

Attest

Title: _____Chairman

E.E. Lasserre
Chairman

Secretary

LESSOR

_____

By: T.V. Brown

Title: Group Vice Pres - Containerboard

T.V. Brown
Group Vice President - Containerboard

OFFICIAL RECORDS

EXHIBIT A

BOOK 360 PAGE 63

MAY 1 2 1982

SPECIAL WARRANTY DEED

THIS INSTRUMENT PREPARED BY:
DANIEL S. BRIM, Attorney
[illegible] SOUTH 5th STREET
FERNANDINA BEACH, FLORIDA [illegible]

THIS SPECIAL WARRANTY DEED, made and executed this 10th day of May, A. D. 1982, by CITIES SERVICE COMPANY, a Delaware corporation, successor by merger to Tennessee Corporation, a Delaware corporation, and having its principal place of business in Tulsa, Oklahoma, hereinafter called the grantor, to CONTAINER CORPORATION OF AMERICA, a Delaware corporation, with its Florida office and mailing address at North Eight Street, Fernandina Beach, Florida 32034, hereinafter called the grantee:

WITNESSETH: That the grantor, for and in consideration of the sum of Ten and no/hundredths ($10.00) Dollars, and other valuable considerations, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the grantee, all that certain land situate in Nassau County, Florida, and more particularly described as follows:

PARCEL ONE (1):

Lots One (1), Thirty-three (33), Thirty-four (34), Two (2), Three (3), Four (4), Five (5), Six (6), and Nine (9), Block Six (6), Fernandina, according to the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901), together with the East One-half (E½) of the part of North Second Street, lying Westerly of said lots, as now closed by Ordinance No. 373.

STATE OF FLORIDA
DOCUMENTARY STAMP TAX
DEPT. OF REVENUE
282.50
MAY 12 1982
22940
NASSAU COUNTY

PARCEL TWO (2):

Lots Seven (7) and Eight (8), Block Six (6), Fernandina, according to the Official Plat of said City, (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901), together with the East One-half (E½) of the part of North Second Street lying Westerly of said lots, as now closed by Ordinance No. 373.

PARCEL THREE (3):

Lots Ten (10), Eleven (11), Twelve (12), Thirteen (13) and Fourteen (14), Block Six (6), Fernandina, according to the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901), together with the South One-half (S½) of that part of Escambia Street, lying North of said lots, as now closed by Ordinance No. 374.

PARCEL FOUR (4):

Lots One (1) thru Fourteen (14) inclusive, Lots Fifteen (15) thru Twenty-two (22) and Thirty-one (31) thru Thirty-four (34) inclusive, Block Fifty-seven (57), Fernandina, according to the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901), together with part of North Second Street lying and being in said Block Fifty-seven (57), as now closed by Ordinance No. 372 and together with the East One-half (E½) of that part of North Second Street lying Westerly of said Block Fifty-seven (57) as now closed by Ordinance No. 373 and together with the North One-half (N½) of that part of Escambia Street lying South of said Block Fifty-seven (57), as now closed by Ordinance No. 374.

PARCEL FIVE (5):

All that certain piece or parcel of land situate, lying and being in the City of Fernandina Beach (formerly named Fernandina), County of Nassau and State of Florida, and known and described on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901) as ALL lots Twenty-six (26) through Thirty-four (34), inclusive in Block Five (5) and that part of Lots One (1) through Eight (8), inclusive, in Block Five (5) that exist Twenty-five (25) feet Easterly of the center line between the main tracks of Seaboard Air Line Railroad Company, being further described as follows:

Commencing at the Southwest corner of said Lot One (1), (being also the Southwest corner of Block Five (5))and go South Eighty-two (82) degrees, Twenty-eight (28) minutes East along the South line of Lot One (1) and Block Five (5) and the North right of way of Dade Street, (has Sixty (60.0) foot right of way) for Sixteen (16.0) feet to the point of beginirning; thence continue South Eighty-Two (82) degrees, Twenty-eight (28) minutes East along the South line of Lot One (1) and North right of way of Dade Street for eighty-four (84) feet to the Southeast corner of Lot One (1); thence go North Seven (07) degrees, Thirty-two (32) minutes East along the East line of Lots One (1), Two (2), Three (3), and Four (4), One Hundred (100.0) feet to the Northeast corner of Lot Four (4); thence go South Eighty-two (82) degrees, Twenty-eight (28) minutes East along the South line of Lot Five (5) and North line of Lot Thirty-four (34) for Twenty-five (25.0) feet to the South-east corner of Lot Five (5); thence go North Seven (07) degrees, Thirty-two (32) minutes East along the East line of Lots Five (5), Six (6), Seven (7) and Eight (8) for One Hundred (100.0) feet to the Northeast corner of Lot Eight (8); thence go North Eighty-two (82) degrees, Twenty-eight (28) minutes West along the North line of Lot Eight (8) for One Hundred Five and Forty-two Hundredths (105.42) feet to the Easterly right of way of the Seaboard Air Line Railroad Company; thence follow the arc of the curve to the left of Easterly right of way of Seaboard Air Line Railroad Company on a chord bearing of South Eight (08) degrees, Thirty-three (33) minutes, Thirty (30) seconds West for Two Hundred and Three Hundredths (200.03) feet to the point of beginning.

PARCEL SIX (6):

The West One-half (W½) of that part of North Second Street

lying East of Lots Twenty-six (26) to Thirty (30), inclusive, Block Five (5), Fernandina, as now closed by Ordinance No. 373.

PARCEL SEVEN (7):

That certain piece or parcel of land situate, lying and being in the City of Fernandina Beach, (formerly named Fernandina), County of Nassau and State of Florida, and known and described on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901) as:

Part of the North One-half (N½) of Block Five (5) and Part of Block Fifty-eight (58) of said City; the West One-half (W½) of North Second Street lying Easterly of said Blocks; All of Escambia Street lying between said fractional Blocks Five (5) and Fifty-eight (58), (Escambia Street and North Second Street within the bounds of this description have been officially closed by the City of Fernandina Beach) and being further described by metes and bounds as follows:

For a point of reference start at the Southwest corner of the North One-half (N½) of Block Five (5): thence go South Eighty-two (82) degrees, Twenty-eight (28) minutes East along the South line of the North One-half (N½) of Block Five (5) for Sixteen (16.0) feet to the point of beginning at a point Twenty-five (25.0) feet Easterly of the center of the tracks of the most Easterly tracks of the Seaboard Coastline Railroad: thence continue South Eighty-two (82) degrees, Twenty-eight (28) minutes East for Two Hundred Nine (209.0) feet to the Southeast corner of the North One-half (N½) of Block Five (5); thence continue the same for Thirty (30.0) feet to the center of the closed Sixty (60.0) foot right of way of North Second Street; thence go at right angles North Seven (07) degrees, Thirty-two (32) minutes East along the center of said former North Second Street for Five Hundred Ninety-five (595.0) feet to a point which is Twenty-five (25.0) feet Southeasterly, measured radially of the center of the most easterly tracks of said Seaboard Coastline Railroad; thence go along the arc of the curve to the left along the Easterly right of way of said Railroad on a chord bearing of South Forty-three (43) degrees, Twenty-one (21) minutes West for Forty-five and Sixty-two Hundredths (45.62) feet to a point which is on the Westerly right of way of said former North Second Street and Two (2.0) feet Southerly of the Northeast corner ofBlock Fifty-eight (58); thence continue along the arc of the curve to the left of said railroad right of way a chord bearing of South Thirty-four (34) degrees, Fifteen (15) minutes West for Three Hundred Thirty-Three and Sixty-two Hundredths (333.62) feet to the former Northerly right of way of Escambia Street; thence continue across the closed Sixty (60.0)foot right of way of said Street along the arc of the curve to the left, (from a point which is on the South line of Block Fifty-eight (58) and One Hundred Fifty (150.0) feet, more or less,from the Southeast corner of Block Fifty-eight on a chord bearing of South Twenty-five (25) degrees, Forty-eight (48) minutes West for Sixty-three and Eighteen Hundredths (63.18) feet to a point on the North line of Block Five (5) which is Westerly One Hundred Seventy (170.0) feet, more or less, from the Northeast corner of Block Five (5); thence continue along the arc of the curve to the left along the easterly right of way of said Railroad on a chord bearing of South Seventeen (17) degrees, Thirty-Four (34) minutes, Thirty (30) seconds West for Two Hundred Three and Eleven Hundredths (203.11) feet to the point of beginning.

OFFICIAL RECORDS

SUBJECT TO the interest of Seaboard Air Line Railway under Deed Book "B2", page 500, public records of Nassau County, Florida, as to part of Lot 10, Block 57, and part of North 2nd Street as lies within the bounds of spur track.

SUBJECT ALSO TO all taxes accruing after December 31, 1981, and to all covenants, restrictions, and easements of record.

TO HAVE AND HOLD the same unto the said grantee in fee simple.

And the grantor does hereby covenant with the grantee that, except as above noted, that at the time of the delivery of this deed the premises were free from all encumbrances, and that the grantor will warrant and defend the same against the lawful claims and demands of all persons claiming by, through or under the grantor, but against none other.

IN WITNESS WHEREOF the grantor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its officers thereunto duly authorized, the day and year first above written.

CITIES SERVICE COMPANY

by J. E. Meyer
J. E. MEYER, VICE PRESIDENT-Services

(Corporate Seal)

ATTEST Linda Frick
Assistant Secretary

Signed, sealed and delivered in the presence of:

Lucia Bailla

Lucia E. Doty

STATE OF OKLAHOMA

COUNTY OF TULSA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared J. E. MEYER and Linda Frick, well known to me to be the Vice President-Services and Asst. Secretary respectively of the corporation named as grantor in the foregoing deed, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 10th day of May, A.D. 1982.

Jan Jansen
Commission Expires 1-10-8

OFFICIAL RECORDS

PG 300 87

CITIES SERVICE COMPANY

CERTIFICATE

I, H. E. BOCKELKEN, Assistant Secretary of CITIES SERVICE COMPANY, a Delaware corporation, do hereby certify that the following is a true and correct copy of Paragraph 5 of ARTICLE IV and Paragraph 2 of ARTICLE V, respectively, of the By-Laws of said Corporation as it exists and is in force on the date hereof.

ARTICLE IV

Corporate Officers

5. GENERAL POWERS. Except as otherwise provided by law, the Chairman of the Board, the President, each Executive Vice President, each corporate Vice President, the Secretary and the Treasurer shall have power to sign contracts, instruments of conveyance, authorized bonds and debentures, checks, drafts, notes, orders for the payment of money and similar obligations, and other instruments for and on behalf of the Corporation.

ARTICLE V

Group and Division Officers

2. DUTIES. Each Group or Division Officer shall have such authority and responsibility, shall perform such duties and shall have such power to execute instruments and documents as may be assigned to him from time to time by the Chairman of the Board, the President or an Executive Vice President.

03110

FILED

1982 MAY 1

NASS

CLERK

DATED: November 1, 1982

N.S.Meldrum, Trustee,

To

EXHIBIT B

Seaboard Air Line Railway,

This Indenture, made and entered into this 15th day of May, A.D.1905, between N.S.Meldrum, as Trustee for the Seaboard Air Line Railway, its successors and assigns, and Minnie S.Meldrum, his wife, parties of the first part, and Seaboard Air Line Railway, a consolidated corporation of the States of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama, party of the second part.

Witnesseth, That Whereas certain lots pieces or parcels of land, situate, lying and being in the City of Fernandina, County of Nassau and State of Florida, hereinafter specifically mentioned and described, were, by Indenture, dated the eleventh day of August, in the year of our Lord, one thousand nine hundred and four, duly executed in accordance with law, conveyed by The FernandIna Dock and Realty Company, a body corporate under the laws of the State of Florida, resident and having its principal office in the City of Fernandina, County and State aforesaid, to the sadd N.S.Meldrum in Trust for the Seaboard Air Line Railway, and its successors and assigns, to hold, manage, control, lease, mortgage,encumber, sell and convey, and dispose of same on the direction of the said Seaboard Air Line Railway, and with full power and authority so to do on such direction of said Seaboard Air Line Railway, its successors and assigns, and

Whereas, the title to all and singular of said lots, pieces or parcels of land, conveyed as aforesaid, was received and held in trust by the said N.S.Meldrum as such Trustee, and has from the date of said conveyance to the date hereof continued to be held by him as such Trustee and

Whereas, the said N.S.Meldrum, Trustee as aforesaid, pursuant to the direction of said Seaboard Air Line Railway and the authority vested in him and by virtue of said Indenture is desirous of conveying to the said Seaboard Air Line Railway, party hereto of the second part,all and singular, the real estate hereinafter mentioned and described.

Now, Therefore, This Indenture Further Witnesseth, That the said parties of the first part for and in consideration of the premises and the sum of Ten Dollars ($10.00) lawful money of the United States of America, to them in hand paid by the said party of the second part at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, have given,granted, aliened, bargained, sold, transferred, conveyed and confirmed, and by these presents does give, grant, alien, bargain, sell, transfer, remise,release, convey and confirm unto the said party of the second part, its successors and assigns forever, all those certain lots, pieces or parcels of land, situate, lying and being in the City of Fernandina, County of Nassau and State of Florida, and known and described on the official plat of said City (as lithographed and issued by the Florida Railroad Company in 1857, and enlarged, revised and reissued by the Florida Town Improvement Company in 1887 and 1901) as

Lots numbered Twelve (12) to Sixteen (16), both inclusive, in Block numbered Four (4); also Lots numbered Nine (9), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), and Seventeen (17), in Block numbered Five (5); also Lots numbered Two (2), Three (3), and Four (4),in Block numbered One hundred and Ninsteen (119); also Lots numbered One (1) to Four (4), both inclusive, in Block numbered One Hundred and Twenty (120); also lots numbered One (1) to Six (6) both inclusive, and fractional lots numbered Seven (7) and Eight (8), or all of Block numbered One Hundred and Sixty-two (162); also Lots numbered Five (5), Six (6), and fractional Lots num-

bered Three (3), Four (4), Seven (7), and Eight (8), ar all the high land in block numbere One Hundred and Sixty-three (163); also all that portion of Block numbered Two Hundred and Eighty-nine (289), as lies west of the Railroads right of way; also all that portion of Block numbered Two Hundred and Ninety-four (294), as lies west of the Railroads right of w also all that portion of Block numbered Three Hundred and One (301), as lies west of the Railroads right of way; also Lots numbered One (1) and fractional Lots numbered Seven (7) and Eight (8), in Block numbered Three Hundred and Three (303); also a right of way for Two (2) tracks through Water Lots numbered Nineteen (19), Twenty (20) and Twenty-one (21), as reserved in conveyance of January 2, 1903, to the National Transportation and Terminal Company; also a right of way of Fifty (50) feet in width, on the east side of and adjoinin Front Street from Escambia Street to Jefferson Street, excepting, however, and reserving therefrom Lot numbered Six (6) in Block numbered One Hundred and Eight (108), and subject the leases of the Florida Town Improvement Company, with John G.McGiffin & Company, dated January, 8th, 1900, and George F.Drew, Agent, dated May 10 .1900, wherein is granted for a stated term the right to use a part of said Block One Hundr and Eight (108) embraced in said Fifty (50) foot right of way; also so much of Lots number Nine (9) and Ten (10) as may be included in a right of way of Twenty (20) feet in width, o the east side, from the center of the "North Y" track, as it now runs, and a right of way Twenty (20) feet in width from the center of said track, on the North side through Lots nu bered Seventeen (17), Eighteen (18), and Nineteen (19), and so much of said Lots as lies s of the center of said track, all in Block numbered Two Hundred and Seventy-one (271); also a right of way of Twenty-five (25) feet in width from the center of the "South Y" track on either side, as it now runs, through Block numbered Two Hundred and Seventy-three (273); t same being all those certain lots, pieces or parcels of land conveyed by The Fernandina Do and Realty Company, a body corporate under the laws of the State of Florida, to N.S.Meldru as Trustee for the Seaboard Air Line Railway, its successors and assigns, by Indenture dat the eleventh day of August A.D.1904, to which Indenture reference is hereinbefore made.

Together with all and singular the rights and privileges, immunities, easements, tene ments, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, a the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the estate, right, title, interest, property, possession, claim and demand wha ever, as well in law as in equity of the said parties of the first part, in and to the same, and every part and parcel thereof, with the appurtenances.

To have and to hold the above described premises, with the appurtenances, unto the sa party of the second party its successors and assigns, to its and their own proper use, bene fit and behoof forever.

In Witness Whereof, the said parties of the first part have hereunto set their hands seals the day and year first above written.

Signed sealed and Delivered in the presence of

Morgan M.Manr

Rutger B.Miller

N.S.Meldrum (Seal)

as Trustee,

Minnie S.Meldrum (Seal)

Exhibit C page 2

All loading and unloading of rail cars for the operation of a seaport shall be done on the new track to be installed as shown in yellow on the first page of this Exhibit C.

OCEAN HIGHWAY and PORT AUTHORITY

Nassau County

COMMISSION

E.E. "Gene" Lasserre
Chairman

Joann Kirkland
Secretary-Treasurer

Charles N. Bennett, Sr.

Hermon Roper

Barbara Thornton

Arthur I. Jacobs
Attorney

June 12, 1986

Mr. Tom Brown
Container Corporation of America
One First National Plaza
Chicago, Illinois 60603

Dear Mr. Brown:

I am counsel to the Ocean Highway and Port Authority (the "LESSEE") and in connection with the lease to the LESSEE of the Property described in the Ground Lease Agreement between LESSEE and Container Corporation of America (the "LESSOR"), I have examined:

(i) all public records, special acts, proceedings and documents in connection with the establishment and organization of the LESSEE which I believe necessary to enable me to render this opinion;

(ii) the Ground Lease Agreement executed by the LESSEE and LESSOR; and

(iii) such other matters and documents as I have deemed necessary for the purposes of this opinion.

Based on the foregoing, I am of the opinion that:

1. The LESSEE is duly organized and existing as a body politic and corporate and a political subdivision under the laws and Constitution of the State of Florida.

EXHIBIT "D"

11 North 14th Street, Box 2, Room 119 • Fernandina Beach, Fl. 32034 • Phone 904/261-0098

2. The Ground Lease Agreement has been duly authorized, executed and delivered by the LESSEE and is in full force and effect according to its terms, and constitutes the valid, binding and enforceable obligation of the LESSEE according to its terms.

3. The execution, delivery and performance by the LESSEE of the Ground Lease Agreement does not and will not conflict with or constitute on the part of the LESSEE a breach of or (with or without the lapse of time or the giving of notice, or both) a default under any existing law, court order or administrative regulation, decree or order or any agreement or other instrument to which the LESSEE is a party or by which it is or may be bound.

4. There is no litigation pending, or to our knowledge threatened, to restrain or enjoin the execution and delivery of the Ground Lease Agreement or in any way affecting the authority for or the validity of the Ground Lease Agreement or the existence or powers of the LESSEE to perform all of its obligations under the Agreement.

Yours sincerely,

Arthur I. Jacobs

AIJ/gl