

IN THE CIRCUIT COURT, FOURTH  
JUDICIAL CIRCUIT, IN AND FOR  
DUVAL COUNTY, FLORIDA

CASE NO.: 16-2018-CA-001049  
DIVISION: CV-F

CITY OF JACKSONVILLE, FLORIDA, a  
body politic and corporate,

Plaintiff,

v.

LOBLOLLY MITIGATION PRESERVE, LLC, a  
Florida limited liability company; FLORIDA  
MITIGATION PROVIDERS, L.L.C., a Florida  
limited liability company; NOCHAWAY  
MITIGATION PRESERVE, LLC, a Florida limited  
liability company; NOCHAWAY MITIGATION  
PROVIDERS, LLC, a Florida limited liability  
company; CHEYENNE ENVIRONMENTAL, LLC,  
a Florida limited liability company; and ERNEST E.  
HALE, III, an individual,

Defendants.

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**CONFIDENTIAL MEDIATION SETTLEMENT AGREEMENT**

The undersigned parties, the City of Jacksonville, Florida (“Plaintiff” or the “City of Jacksonville”), Loblolly Mitigation Preserve, LLC, (“LMP”) Florida Mitigation Providers, L.L.C., Nochaway Mitigation Preserve, LLC, Nochaway Mitigation Providers, LLC, Cheyenne Environmental, LLC, and Ernest E. Hale, III (the “Defendants” and together with Plaintiff, the “Parties”), hereby enter into this Confidential Mediation Settlement Agreement (the “Agreement”) pursuant to the agreement reached at the mediation held in this matter on Tuesday, August 27, 2019, before mediator Carlos Alvarez. The Parties, having successfully concluded mediation to their satisfaction and that of their respective counsel, hereby agree to the terms of a settlement of the subject dispute in accordance with the following terms and conditions:

1. Essential Terms: As consideration for this Agreement, the Parties agree that the City of Jacksonville will receive \$2,356,750 in accordance with the following terms:

a) Assignment of Basin 4 Credits. LMP agrees it will unequivocally assign 25 UMAM credits valued at \$60,000 (totaling \$1,500,000) belonging to LMP from Basin 4 of the St. Johns Water River Water Management District (the “WMD”) to the City of Jacksonville.

b) Credit for Management and Marketing Fee. The City of Jacksonville will receive a credit of \$419,125, as a result of LMP foregoing any Management Fee or Marketing Fee due to LMP on the 25 UMAM credits from Basin 4 referenced in Section 1(a) of this Agreement, which would otherwise be due under the Use Agreement Between Loblolly Mitigation Preserve, LLC and the City of Jacksonville, Florida (the “Use Agreement”).

c) Secured Cash Flow Note. LMP will make a secured cash flow note to the City of Jacksonville in the principal amount of \$437,750 at 6% interest (the “Note”) with payments of 70% of sales proceeds LMP receives until the principal and interest are paid. This assumes sales are split 50% to LMP and 50% to the City of Jacksonville per the Use Agreement. The Note will be collateralized with LMP’s credits until it is paid, and the balance shall be paid within 5 years of execution. Payments by LMP shall be applied first to interest, and then to principal.

d) Additional Settlement Terms. With respect to Items E, F, G, H, I, and J of the Proposed Settlement Term Sheet from the City of Jacksonville, dated November 7, 2018, and LMP’s response dated January 29, 2019, the City of Jacksonville and LMP shall diligently work to resolve such issues to their mutual agreement and towards an amendment of the Use Agreement. The Parties acknowledge that they will together work towards execution of a final settlement agreement to follow hereafter, and an amendment to the Use Agreement, both of which shall be subject to City Council approval.

2. Releases. The Parties shall exchange full and complete releases as to the matters alleged in this action and (a) all of the Defendants in this action will be included in the release, and (b) LMP shall not be released with regards to the matters in this Agreement, the Note and in any amendment to the Use Agreement.

3. Confidentiality. The terms of this Agreement shall be kept strictly confidential, and such confidentiality shall be enforceable by a Court of competent jurisdiction. The Parties may, however, discuss the terms of this Agreement with their attorneys, accountants, and with other persons as have a true and legitimate need to know of the information set forth herein. The terms of this Agreement shall not be discussed with third parties who have no involvement in this dispute or otherwise have no legitimate need to know of the information set forth herein. However, this Agreement may be disclosed for enforcement purposes or as may be required by Court Order, subpoena, judicial process, or as agreed by the Parties. Furthermore, the each Party agrees that they shall not make a public announcement, statement, or response to media inquiry of any kind, without express consent and agreement of all Parties to this Agreement, except as required by Florida's public record laws.

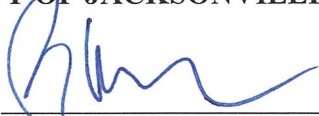
4. Attorneys' Fees. Each Party to this Agreement shall bear its own attorneys' fees and costs incurred.

5. Authority. The signatories to this Agreement represent the Parties to this mediation as noted below. Each Party's representative has full authority to execute this Agreement on behalf of the Parties and entities reflected below. The Parties acknowledge that the settlement of this lawsuit shall require final approval of City Council. Each Party enters into this Agreement knowingly and voluntarily, having consulted with legal counsel and being satisfied with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been made, knowingly and voluntarily, by the Parties designated below; and this Agreement has been approved by said Parties' legal counsel on the date set forth below.

Plaintiff:

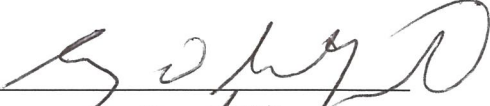
**CITY OF JACKSONVILLE, FLORIDA**

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

Its: CAO \_\_\_\_\_

Defendant:

**LOBLOLLY MITIGATION PRESERVE, LLC**

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

Its: Partner \_\_\_\_\_

Defendant:


**FLORIDA MITIGATION PROVIDERS, L.L.C.**

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

Its: \_\_\_\_\_

Defendant:

**NOCHAWAY MITIGATION PRESERVE, LLC**

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

Its: managing \_\_\_\_\_

Defendant:

**NOCHAWAY MITIGATION PROVIDERS, LLC**

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

Its: \_\_\_\_\_

Defendant:

**CHEYENNE ENVIRONMENTAL, LLC**

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

Its: \_\_\_\_\_

Defendant:

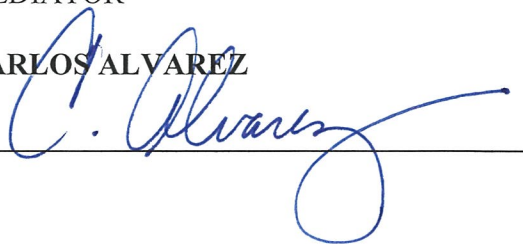
**ERNEST E. HALE, III**

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

Its: \_\_\_\_\_

MEDIATOR

**CARLOS ALVAREZ**

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